

EUROPE AND CENTRAL ASIA

Albania

I. Summary

Drug trafficking is a significant issue for Albania. Organized crime groups use Albania as a transit point for drug and other types of smuggling due to the country's strategic location, weak police and judicial systems, and lax border controls. The most common illegal drugs are heroin, cocaine and marijuana. Heroin is typically routed through the "Balkans Route" of Turkey-Bulgaria-Macedonia-Albania, and on to Italy and Greece. Cocaine is smuggled from South America, sometimes via Spain and the Netherlands, then passes through Albania before distribution throughout Western Europe. Although Albania is not a major transit country for drugs coming into the United States, it remains an important factor in the worldwide drug trade. Drug abuse in Albania is a growing problem, but remains on a small scale compared with Western Europe. Statistics continue to be unreliable on drug trafficking or use, and the public is generally unaware of the problems associated with drugs.

The Government of Albania (GOA), largely in response to international pressure and with international assistance, is in the early stages of attempting to confront criminal elements more aggressively. This continues to be an uphill battle due to a lack of resources as well as endemic corruption in Albania. The government established a counternarcotics unit in 1998 under the Ministry of Public Order, and in 2001 approved a law on the Prevention of the Illegal Trafficking of Narcotics and on the Establishment of the Inter-Ministerial Drug Control Committee. In March 2002, Parliament approved the Law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances, regulating the import and use of precursor chemicals.

In November 2002, Albania ratified the UN Convention on Psychotropic Substances of 1971. In September 2001, Albania became a party to the UN Drug Convention of 1988 and the UN Single Convention on Narcotic Drugs of 1961.

II. Status of The Country

The Albanian government is continuing its efforts to build security and stability throughout Albania. Police professionalism has increased in the past five years, especially among units that defend public order. The judiciary is still weak and subject to corruption. The government of Prime Minister Fatos Nano has undertaken several measures to combat trafficking. Working with Italian law enforcement, the Albanian police and military had some success against clandestine speedboat trafficking/smuggling across the Adriatic in August 2002. There have been no reports of renewed trafficking via that route since that time.

Plagued by severe unemployment, crime, and lack of infrastructure, the Albanian public focuses little attention or debate on the problem of drug abuse. There are no independent organizations that compile data on drug use in Albania. According to the government, there are an estimated 30,000 drug users in Albania, though NGOs believe this number is inflated. No significant government assets are dedicated to tracking the problem. The country is experiencing an upsurge in drug abuse among younger Albanians, though illicit drugs were only introduced to the country within the last decade. Heroin and marijuana abuse is growing; cocaine and crack are also available but expensive, keeping use of these drugs limited. Heroin is imported from the Former Yugoslav Republic of Macedonia, but originates in Turkey or Afghanistan; marijuana is produced domestically. Cocaine is smuggled from South America, sometimes via Spain and the Netherlands. The UN Drug Control Program (UNDCP) believes that drug use, especially among adolescents in cities, is on the rise. There are no special treatment centers for drug addicts, although the Tirana Military Hospital's Toxicology Clinic treats overdose cases.

III. Country Actions Against Drugs in 2002

Policy Initiatives. On March 29, 2002 the GOA approved the Law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances, regulating the import and use of precursor chemicals. In 2001, the GOA approved the law on the Prevention of the Illegal Trafficking of Narcotics and on the Establishment of the Inter-Ministerial Drug Control Committee. This law also established a framework to improve criminal investigations in drug-related cases by creating a formal structure for the Ministry of Public Order's counternarcotics unit, originally established in 1998. The Ministry of Public Order, however, has not yet drafted the internal regulations to fully implement this law. In addition, the Inter-Ministerial Drug Control Committee established under the law has never met. The GOA approved a National Drug Demand Reduction Strategy in 2000, but still has no national strategy to address supply reduction.

The counternarcotics unit currently includes 100 police officers and agents and a network of 12 regional offices, but it remains understaffed and ill equipped. There is no on-line communication between the headquarters and the regional offices, and the unit lacks critical technology, such as a computer database. In 2002, the UNDCP provided the counternarcotics unit with some off-road vehicles, a van with detection equipment, and training on drug identification and profiling techniques. The U.S. Embassy's ICITAP program provided U.S. \$130,000 in surveillance equipment to the Organized Crime Directorate, which includes the counternarcotics unit, and training in surveillance and profiling techniques. Most regional counternarcotics offices, though, must rely on local police budgets, which do not allow for the purchase of vehicles or surveillance equipment. With international assistance, the GOA also established an anti-trafficking center in Vlora in 2001, but this center has not produced results and is losing its international support. The GOA works with its Balkan neighbors bilaterally and in regional initiatives to combat organized crime. Albania is a participant in the Stability Pact and the Southeastern Europe Cooperative Initiative (SECI).

Law Enforcement Efforts. Organized crime plays a significant role in drug trafficking. Corruption among police and magistrates hampers efforts to crack down on drug distribution, though distribution is less of a problem than transit of illegal narcotics for international trafficking. However, police may become more effective at combating distribution as the capacity of the counternarcotics unit develops. Authorities report that through October 2002, police arrested 295 persons for drug trafficking, 5 of them foreign citizens. The police seized 71 kilograms of heroin, 5.6 grams of cocaine, 13,717 kilograms of marijuana, 980 grams of cannabis seeds, and 600 ml of hashish oil. Police also destroyed 7 cannabis labs. Heroin and marijuana seizures increased significantly from previous years, but still represent a tiny fraction of the drugs transiting Albania. While Albanian police seized 71 kilos of heroin, Italian police seized an estimated two tons of heroin that had passed through Albania.

Illicit Cultivation and Production. With the exception of cannabis, Albania is not known as a major producer of illicit drugs. According to authorities of the Ministry of Public Order's Counter-Drug Unit, cannabis is currently the only drug grown and produced in Albania, and is typically sold in Belgium, France, Germany, Greece, and Italy. Metric ton quantities of Albanian marijuana have been seized in Greece and Italy. The Counter-Drug Unit, with the assistance of three Italian helicopters and their crews, is in the final phase of a plan to determine marijuana crop sizes and yields in Albania. They estimate that planted areas are down from previous years, but the regions of Shkodra, Vlora and Fier remain problematic. During 2002, police destroyed 115,673 marijuana plants throughout Albania.

Precursor Chemical Control. Albania is not a producer of significant quantities of precursor chemicals. The Law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances was passed in 2002 and regulates precursor chemicals.

Drug flow/Transit. Heroin and cocaine are the main drugs that transit Albania. Authorities report that heroin typically follows the "Balkan Route." Traffickers also use Albania as a distribution point for Europe when smuggling South American cocaine through Spain and the Netherlands. Domestically

produced marijuana is smuggled to Belgium, France, Germany, Greece, and Italy. High quality hashish produced in Albania is also shipped to Turkey to exchange for heroin.

Agreements and Treaties. The U.S. has had an extradition treaty with Albania since November 13, 1935. The USG considers this treaty valid and has used it successfully several times in recent years. Albania has no mutual legal assistance treaty with the U.S. Albania signed the U.N Convention Against Transnational Organized Crime and its Protocols in December, 2000. In 2001, Albania became a party to the 1988 UN Drug Convention and the 1961 UN Single Convention as amended by the 1972 Protocol. In November 2002, Albania ratified the UN Convention on Psychotropic Substances of 1971.

Demand Reduction. Drug abuse is a comparatively new problem in Albania and the government and Albanian society have been slow to address it. Local and national authorities collect little data and do not believe the problem is particularly widespread, owing both to traditional cultural norms and low levels of discretionary income. The UNDCP addresses demand reduction in Albania through youth activities. The GOA estimated that there were as many as 30,000 drug users in Albania in 2000 (the most recent year for which it has an estimate), six times the amount estimated in 1995; but NGOs believe the figure is closer to 10,000. Of the overdose cases treated at the Tirana Military Hospital's Toxicology Clinic, approximately 70 percent were injection drug users in 2002, up from only 20 percent in 1998.

Corruption. Corruption remains a deeply entrenched problem. While the GOA acts officially to combat drug trafficking, press reports have implicated government officials in smuggling operations. Despite the widespread perception that the police are complicit in this smuggling, there were only two arrests of police officers for involvement in drug trafficking in 2002. Low salaries and social acceptance of graft make it difficult to combat corruption among police, magistrates, and customs and border officials.

IV. U.S. Policy Initiatives and Programs

The GOA continues to welcome assistance from the United States and Western Europe. The U.S. is intensifying its activities in the areas of public order and legal reform with expanded programming and additional staff members at the U.S. mission in Tirana. U.S. ICITAP and OPDAT advisors work closely with the Ministry of Public Order, the Ministry of Justice, and the General Prosecutor to combat organized crime and trafficking and to improve border control. In November 2002, the USG launched the Three Port Strategy, placing two U.S. advisors to work with police, customs, and security officials at each of Albania's three major ports of entry—Rinas Airport and the Adriatic ports at Durrës and Vlora—to bring interdiction operations up to international standards and disrupt trafficking through Albania. Other nations, including Italy, Greece, Turkey, and the UK, are expected to provide four additional international advisors for each port. The GOA has welcomed this initiative, adding it to the National Strategy to Combat Trafficking in Human Beings. Other USG, EU, and international programs include support for Albanian customs reform and enhanced border controls, continued judicial training, efforts to improve cooperation between police and prosecutors, and anticorruption programs.

The Road Ahead. The U.S. will continue to urge the GOA to make progress on curbing illegal drug trafficking, to use law enforcement assistance efficiently, and to support legal reform. EU, UNDCP, and other international efforts will provide the GOA with additional support.

Armenia

I. Summary

Armenia is not a major drug-producing country and its domestic abuse of drugs is relatively small. The Government of Armenia (GOAM), recognizing its potential as a transit route for international drug trafficking, is attempting to improve its interdiction ability. The Parliament passed a bill aimed at strengthening the police mandate to combat drug sales and trafficking in 2002. Together with Georgia and Azerbaijan, Armenia is engaged in a UN-sponsored “Southern Caucasus Anti-Drug Program” launched in 2001. Armenia is a party to the 1988 UN Drug Convention.

II. Country Status

As a Caucasian crossroads between Europe and Asia, Armenia has the potential to become a transit point for international drug trafficking. At present, limited transport between the country and its neighboring states makes Armenia a secondary traffic route for drugs; however, the Anti-Drug Department (ADD) of the Police Service expects an increase in drug traffic with the full opening of the borders. (In 2002, the Armenian Ministry of Interior was restructured into the National Police Service (NPS).) The principal transit countries through which drugs pass before they arrive in Armenia include Iran (opiates, heroin), Georgia (opiates, cannabis, hashish), and the Russian Federation (opiates, heroin.) (Armenia’s borders with Turkey and Azerbaijan remain closed owing to the Nagorno-Karabakh conflict; however, according to ADD information, opiates and heroin are smuggled to Armenia from Turkey via Georgia. When these borders open, drug transit could increase significantly.) ADD experts have accumulated a significant database on drug transit sources, routes and the people engaged in transit; scarce financial and human resources, however, limit the Police Service’s ability to combat drug trafficking.

Drug abuse does not constitute a serious problem in Armenia, and the local market for narcotics, according to the ADD, is not large. The principal drugs of abuse are opium and cannabis. Heroin and cocaine first appeared in the Armenian drug market in 1996 and, since then, there has been a small upward trend in heroin sales, while cocaine abuse has remained flat. The Police Service, the Office of Procurator General, and the Republican Narcotics Dispensary gather statistics on drug use and trafficking. Two NGOs started working on counternarcotics programs in 2002 and continue to be very active in this area. Their assessment of the number of drug addicts in Armenia is much higher than official estimates. Statistics from all sources show an upward trend during 2002 in drug abuse and seizures compared with previous years.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In 2002, the GOAM, UNODC and the European Union launched the second project under the South Caucasus Anti-Drug Program (SCAD.) Initiated in 2001, SCAD strives to harmonize counternarcotics legislation in the three Caucasus countries and improve counternarcotics cooperation. The program has a total budget of 959,000 Euros (ca. U.S. \$1.04 million). The first phase calls for a review of the existing legal and institutional framework. The second phase will improve drug abuse statistics and drug abuse prevention at schools.

Accomplishments. In 1999, the Interior Ministry deployed joint teams of Armenian police and Customs representatives at each Customs post and checkpoint. The Ministry also obtained fifteen drug-sniffer dogs from Western Europe to aid interdiction efforts. The canine program began well; however, training of the dogs has not been adequately maintained and they are not exercised on a regular basis, resulting in steadily decreasing skills of the dogs in the program.

Law Enforcement Efforts. Armenian authorities seized 76.8 kilograms of drugs during the first nine months of 2002. This compares with 8.177 kilograms for the first nine months of 2001. The ADD reports that in 2002, 154,128 kilograms of green hemp and 774 kilograms of poppy were eradicated by the police. In 2001 a combined total of 177,359 kilograms of green hemp and poppy were destroyed.

The ADD reports that, in 2002, there were 453 cases of drug-related crimes, compared with 497 for the previous year. Police experts explain this decrease as the result of the suspension of enforcement of the prior requirement (see above) to treat abusers as criminals.

Corruption. Although corruption is endemic in Armenia, there were no cases reported of government officials being involved in drug-related corruption in 2002.

Agreements and Treaties. Armenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

Cultivation and Production. Hemp and opium poppy grow wild in the northern area of Armenia, particularly in the Lake Sevan basin and in some mountainous areas. No illicit labs producing synthetic drugs were discovered in 2002.

Drug Flow/Transit. Main drug routes run from Iran to Russia and Ukraine; no estimates of the total amount of drugs transported through Armenia are available.

Demand Reduction. Estimates of the number of drug addicts in Armenia vary from 1,000 to 25,000. (Armenia's population is 3,200,000.) The share of drug abusers consuming opiates is estimated at 50 percent of the total drug abusing population. Deputy Police Chief Armen Yeritsian, who oversees the ADD, says that there are only about a thousand drug users listed in the Armenian police database, and that their number shows no signs of increasing at the moment. The senior law-enforcement official insists that drug addiction essentially does not exist among young people.

The Anti-Drug Civil Society NGO, which launched an outreach regional program in 2002, assesses the number of drug addicts at close to 25,000. The chairman of the parliamentary Standing Committee on State and Legal Issues, MP Victor Dallakian, said during recent parliamentary debates over the draft law on narcotics and drugs that there are currently about 20,000 drug addicts in Armenia. According to experts at the Republican Narcotics Dispensary, which was established to detoxify and reform addicts, fewer than 300 addicts are officially registered with the Dispensary, while some 700 more persons are on probation for using drugs. Under current legislation, a person detained for drug abuse for the first time is released on a 6-month probation. Repeated drug abuse during the probation period is, however, considered a criminal offense. The average cost to the state for treatment of one drug addict, the Dispensary said, is U.S. \$250.

IV. U.S. Policy Initiatives and Programs

The U.S. encourages Armenia to focus on drug interdiction. Armenia was the first country in the region to sign a Letter of Agreement (LOA) with the USG, providing for assistance to its narcotics control and law enforcement efforts. The agreement provided for State Department counternarcotics assistance programs, including equipment for a forensics analysis capacity, such as drug testing. During 2002, the USG also funded two legal consultants to present a series of seminars on corruption, drug trafficking and money laundering to the Office of Procurator General and the Parliament.

The Road Ahead. The USG hopes to continue aiding Armenia's own efforts against narcotics trafficking. Armenia will need to focus attention on its border with Turkey, when that border is fully opened.

Austria

I. Summary

Austria is primarily a transit country for drug trafficking along major trans-European routes. Organized drug trafficking is dominated by foreign criminal groups, primarily Mafia-type gangs from Russia and other former east bloc countries. Austria's own illegal markets are supplied by these groups. Consumption of illegal drugs does not constitute a severe problem in Austria; production and cultivation remain insignificant.

Austria enacted a series of legislative initiatives in 2002 which, inter alia, target drug-related organized crime. Austria also reorganized its law-enforcement structures to better enforce narcotics laws. Its revised national security doctrine passed in 2002 also includes policy strategies to fight drug-related organized crime. Austria launched a central Asian initiative with the support of the EU and the U.S., which seeks to enhance border security in the region. Cooperation with U.S. authorities remained excellent during 2002, and was enhanced further by the visit of Interior Minister Strasser to Washington in July 2002. Austria is a party to the 1971 and 1988 UN Drug Conventions.

II. Status of Country

Production of illicit drugs in Austria continues to be marginal. However, Austria remains a transit country for drugs transported by organized crime syndicates along the major European drug routes.

The federal institute for health affairs estimates the number of illicit drug abusers to range between 15,000 to 20,000. A 2001 field study extrapolated that 20 percent of Austrians above 15 had had "some experience" with cannabis, 4 percent with ecstasy. One percent have tried opiates. One gram of street heroin (purity between 8 percent and 16 percent) sold for Euros 40-50 in 2002, one Ecstasy tablet was sold for Euros 15.

III. Country Actions Against Drugs in 2002

On the legislative side, Austria's center-right government in 2002 enacted a comprehensive reform of the criminal code and criminal procedures code that, apart from its focus on anti-terrorism legislation, also contains provisions to target drug-related organized crime.

- In spring 2002, parliament adopted a new national security doctrine, which also addresses key national strategies to combat drug-related organized crime.
- Throughout 2002, the Interior Ministry worked to finalize establishment of a centralized criminal intelligence service which bundles investigative agencies in order to be able to combat crime more effectively. The Ministry for Social Affairs streamlined its counternarcotics unit and provided additional staff, including personnel for the nationwide coordination of drug-related policies.
- Austria enacted legislation in 2002 that mandates obligatory blood tests for drivers suspected to be under the influence of illicit drugs. Under existing legislation, first-time users of cannabis may avoid criminal proceedings if they agree to therapy. Apart from severe penalties for drug traffickers, the government of Austria's strategy at the same time includes a commitment to intensify drug prevention education.

Under the narcotic substances act amended by the Austrian government in 2001, drug dealers of a criminal organization may face up to life imprisonment for large-scale drug dealing with a minimum penalty of 3 years imprisonment. The law for the first time penalizes the promotion of illicit drug

consumption on the Internet. The so-called limit quantity of heroin after which possession becomes criminal was reduced from 5 grams to 3 grams. Overall, Austrian drug users tend toward multiple-drug use. While the use of opiates and cocaine remained stable at low levels in 2002, experts note an increasing trend among young and first-time users toward synthetic substances.

As in past years, media reports in 2002 continued to expose drug-related arrests of asylum seekers in the wake of police raids of asylum homes in and near Vienna. In response, conservative policy-makers decreed a somewhat more restrictive handling of asylum requests, called for swift expulsion of asylum seekers caught drug-dealing. A proposal by the Green Party to allow sale of cannabis at public outlets became a controversial issue during the fall 2002 election campaign.

Austria's Central Asian Initiative supported by the U.S. and the E.U. calls for thorough training of border control officials in five central Asian countries at the senior management level.

Law Enforcement Efforts. Seizure statistics for 2001 (latest available figures) show that cocaine seizures (20.3 kilogram in 2000) increased dramatically to 108.2 kilogram in 2001, heroin seizures rose from 230.7 kilograms in 2000 to 288.3 kilograms in 2001, and confiscation of "MDMA/ecstasy" (162,000 units in 2001) also increased to 256,299 units in 2001. Cannabis seizures dropped from 140 kilograms in 2000 to 84 kilograms for 2001.

The 21,302 drug-related offenses in 2001 represent a 21-percent increase over the previous year. Of these offenses, 560 were related to illegal possession of synthetic substances. Overall, estimates place drug-related crime at about 30 percent of all offenses in Austria.

No comprehensive seizure statistics are available for 2002. Law enforcement officials expect slightly higher amounts of cocaine, cannabis, and "ecstasy" seizures, while heroin confiscation in 2002 is projected to remain below the 2001 level.

Corruption. The GoA's public-corruption laws recognize and punish the abuse of power by a public official. The U.S. Government is not aware of any high-level Austrian government officials' involvement in drug-related corruption.

Agreements and Treaties. The U.S.-Austrian Mutual Legal Assistance Treaty, signed in 1995, entered into force in August 1998. An updated U.S.-Austrian Extradition Treaty entered into force in January 2000, replacing a 1930 extradition treaty and a 1934 supplementary convention.

Austria ratified the 1988 UN Drug Convention as well as the 1971 UN Convention on Psychotropic Substances. Austria is also a party to the 1961 Single Convention on Narcotic Drugs and its 1972 protocol. In spring 2002, the International Narcotics Control Board (INCB), based on a fact-finding trip to Vienna the previous year, lauded Austria's consistent record on implementing UN drug Conventions. It recommended maintaining the country's proven balance between pertinent health/social policies and law enforcement efforts.

Cultivation/Production. The U.S. Government is not aware of any significant cultivation or production of illicit drugs in Austria.

Drug Flow/Transit. Austria is not a source country for illicit drugs. Organized drug trafficking is carried out primarily by foreign criminal groups (Turks, Albanians, and citizens of former Yugoslavia), which are well established on major European drug routes, particularly along the Balkan Route. The nearby Slovak capital of Bratislava has served as a temporary heroin depository for traffickers for years. The illicit trade increasingly relies on central and east-European airports, including Austria's. Couriers are mostly individuals from source countries, from black-African nations, but also Croatian, Yugoslav and Romanian nationals. Over 90 percent of the heroin that enters Austria (mostly for transit) comes by way of the Balkan Route. Trafficking and consumption of MDMA (ecstasy) products, originating in the Netherlands, continued to rise in 2002. Illicit trade of amphetamines, carried out by criminal groups from Poland and Hungary, as well as of cocaine, also increased in 2002. In a new development, biogenic drugs (mushrooms, cacti (peyote), etc.) have become popular among young drug users in certain regions of the country.

Domestic Programs (Demand Reduction). The number of drug-related deaths declined from 227 in 2000 to 184 in 2001. Experts point out, however, that the percentage of drug deaths from “drug cocktails” has been steadily rising in past years. Austrian authorities and the public generally view drug addiction as a disease rather than a crime. This is reflected in rather liberal drug legislation and in related court decisions. The government has taken a somewhat more restrictive approach by lowering the permissible amount of heroin from 5 to 3 grams in 2001. Overall, federal and state authorities remain committed to Austria’s “balanced, comprehensive” drug policy, focusing on health and social policy measures designed to prevent social marginalization of drug addicts. The government and regional authorities routinely sponsor treatment centers. Federal guidelines ensure minimum quality standards for drug treatment facilities. The use of heroin for therapeutic purposes is generally not allowed. Demand reduction puts emphasis on primary prevention, drug treatment and counseling, as well as “harm reduction.” New challenges in demand reduction are the need for psychological care for drug victims, greater attention to older victims and to immigrants.

Primary intervention starts at the pre-school level, extends to apprenticeship institutions and includes out-of-school youth programs. Special emphasis is placed on multipliers. Each of Austria’s nine states maintains pertinent addiction prevention units, which, inter alia, use the Internet as a venue. The national government and local authorities routinely sponsor “educational campaigns” inside and outside school fora, e.g. Mass media campaigns. Overall, youths in danger of addiction have become a prime target of new treatment and care policies.

Austria has syringe exchange programs in place for HIV prevention. Most recent available data (for 2001) indicate a stable HIV prevalence rate at a low level (0 percent to 5 percent) while the hepatitis prevalence rates remain high (hepatitis c: 48 percent to 71 percent; hepatitis b: 25 percent to 47 percent). The trend toward diversification in substitution treatment (methadone, prolonged-action morphine and buprenorphine), which has been in place for over a decade, continued in the period 2001-2002.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Austrian cooperation with U.S. investigative efforts is excellent. The July 2002 visit of a senior Interior Ministry delegation led by Minister Strasser to Washington and various U.S. destinations deepened existing excellent cooperation. In Washington, Strasser met with the FBI, the CIA, as well as with Attorney General Ashcroft.

The Road Ahead. The U.S. will continue to support Austrian efforts to create more effective tools for law enforcement. Promoting a better understanding of U.S. Drug policy among Austrian officials will remain a priority.

Azerbaijan

I. Summary

Azerbaijan is located along a drug transit route running from Afghanistan and Central Asia west into Western Europe, and from Iran north into Russia and west into Western Europe. Consumption and cultivation of narcotics are low, but levels of use are increasing. During 2002, the main drugs seized were cannabis and opium. President Bush waived restrictions on assistance to the Government of Azerbaijan contained in Section 907 of the FREEDOM Support Act for the first time in 2002 and extended that waiver for a second year in 2003. Azerbaijan is a party to the 1988 UN Drug Convention.

II. Status of Country

Azerbaijan's main narcotics problem is the transit of drugs through its territory. Azerbaijan emerged as a narcotics transit route several years ago because of the disruption of the "Balkan Route" due to regional conflicts in several countries of the former Yugoslavia. Narcotics from Afghanistan and South Asia enter from Iran or cross the Caspian Sea from Central Asia and continue on to markets in Russia and Europe. Azerbaijan shares a 611-km frontier with Iran, and its border control forces are insufficiently trained and equipped to patrol it effectively. Iranian and other traffickers are exploiting this situation. Domestic consumption is growing with over 15,000 persons registered in hospitals for drug abuse or treatment in Azerbaijan. The actual level of drug abuse is estimated to be many times higher. Government authorities suspect that persons displaced by the Nagorno-Karabakh conflict have been drawn into drug trafficking due to acute economic pressure. The Government of Azerbaijan (GOAJ) claims that parts of Azerbaijan occupied by Armenia are used for drug cultivation. According to Armenian press reports, law enforcement personnel in Nagorno-Karabakh seized 3,677 kilograms of hemp in 2001 and drug related arrests in 2001 increased three-fold over the previous year. The GOAJ also maintains that narcotics are transported across the approximately 100 km of Azerbaijan's border with Iran that is under the control of Armenian forces. The United States does not have independent confirmation of these allegations.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The "State Commission on Combating the Illegal Trade of Narcotics and Drug Substances" headed by Deputy Prime Minister Ali Hasanov, continues to lead counternarcotics policy initiatives. This committee is responsible for the implementation of the national counternarcotics plan announced in July 2001, which attempts to implement Azerbaijan's commitments arising from United Nations Treaties and General Assembly resolutions relating to drug control. In July 2002 the UN donated a mobile narcotics detection lab and other equipment worth over U.S. \$200,000 as part of its South Caucasus Drug Control Program, a five-year regional initiative. The Ministry of Internal Affairs has continued its program in the south of the country along the border with Iran that organizes local counternarcotics police officials to work closely together across local jurisdictions. It has begun similar programs in Sumgayit near Baku and Ganja in western Azerbaijan.

Accomplishments. In 2002 the Ministry of Internal Affairs conducted "Operation Hash-Hash," a successful poppy and cannabis cultivation and storage eradication program, in several parts of the country which increased significantly the amount of illegal narcotics seized and destroyed during the first ten months of the year.

Law Enforcement Efforts. There were 1,940 drug-related arrests during the first ten months of 2002, mostly small-time traffickers and users. Police lack basic equipment and have little experience in modern counternarcotics methods. Border control capabilities on the border with Iran and Azerbaijan's maritime border units are inadequate to prevent narcotics smuggling.

Corruption. Corruption permeates the public and private sectors, including law enforcement. Government officials have remarked on the gravity of the problem. Current legislation has proven inadequate to address police and judicial corruption, as salaries remain low, and many officials turn to corruption to supplement inadequate incomes to support themselves and their families.

Cultivation and Production. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan. During the first ten months of 2002, law enforcement authorities discovered and destroyed 501 tons of hemp and poppies that were under cultivation on 390 hectares of land.

Drug Flow/Transit. Narcotics traffickers seem to rely on familiar transit routes. Opium and poppy straw originating in Afghanistan and South Asia transit through Azerbaijan from Iran, or from Central Asia across the Caspian Sea. Drugs are also smuggled through Azerbaijan to Russia, then on to Central and Western Europe. Azerbaijan cooperates with Black Sea and Caspian Sea littoral states in tracking and interdicting narcotics shipments, especially morphine base and heroin. Caspian Sea cooperation includes efforts to interdict narcotics transported across the Caspian Sea by ferry. Law enforcement officials report that they have received good cooperation from Russia, but have encountered considerable reluctance from Iran to assist in counternarcotics efforts.

Demand Reduction. Opium and cannabis are the most commonly used drugs. The GOAJ has begun education initiatives directed at curbing domestic drug consumption.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. U.S. law enforcement exchange of information and cooperation with Azerbaijan increased in 2002. Nonproliferation assistance to the Border Guards and Customs is providing modest, indirect help to the government's efforts to fight drug trafficking. Counternarcotics assistance programs have increased since the waiver of Section 907 of the FREEDOM Support Act. In June the GOAJ participated in "Operation Containment," an international enforcement program from the Balkans to Central Asia designed to coordinate and focus participating countries' narcotics interdiction efforts at locations identified as high risk for potential smuggling. As part of this effort, representatives from the U.S. Drug Enforcement Agency conducted a direct narcotics interdiction sampling program at Baku's international airport and ferry terminal. U.S. Customs presented an International Border Interdiction Training to supervisory and mid-level managers from Azerbaijan's border agencies at a southern land border site in the United States. Related training in basic weapons of mass destruction (WMD) border interdiction, laboratory analysis and investigation, together with the delivery of specialized detection equipment, was conducted by U.S. Customs during 2002. In addition, the U.S. Coast Guard conducted maritime law enforcement training for boarding officers in September.

The Road Ahead. The U.S. and Azerbaijan signed a letter of agreement on law enforcement and counternarcotics assistance on January 3, 2003. This assistance will initiate a concerted U.S. effort to help Azerbaijan increase its counternarcotics capabilities. Cooperation between DEA and the GOAJ is increasing, and in the coming year DEA plans to begin training local law enforcement in conducting drug investigations, airport interdictions, narcotics forensics and provide ion-scanners used to detect narcotics at strategic points in the country, including along the southern border crossing with Iran.

With the letter of agreement signed, the United States is beginning several law enforcement assistance programs with Azerbaijan. These include helping the Government of Azerbaijan modernize its criminal records system and training and exchanges for Azerbaijan's law enforcement officials. Other assistance is projected in the areas of counternarcotics/drug enforcement, police training, and forensic lab development.

Belgium

I. Summary

Belgium remains an important transit point for a variety of illegal drugs, especially ecstasy, of which it is also one of the world's major producers. The production and transshipment of ecstasy that began in significant quantities in 1999 continued to grow in 2002. Belgium is also a transit point for a variety of chemical precursors used to make illegal drugs. Traffickers utilize Belgium's busy seaports, international airports, and central location to move drugs to their primary markets in the United States, the United Kingdom and the Netherlands. Belgium takes a proactive approach to drug interdiction efforts, and cooperates closely with U.S. officials. Belgian authorities seized more than 5.1 million tablets of ecstasy and 17,000 cannabis plants in 2002. Belgium is party to the 1988 UN Drug Convention, contributes to the UNODC's budget, and is part of the Dublin Group of countries concerned with combating narcotics trafficking.

II. Status of Country

Belgium is a producer of synthetic drugs and cannabis and remains a key transit point for illicit drugs bound for the United States, particularly Ecstasy. Airline passenger couriers remained the principal means of transporting ecstasy to the United States, while the mailing of pills via both express and regular mail seemed to decline. Recent discoveries of major amounts of ecstasy intended for shipment through the port of Antwerp indicate that sea freight may be an emerging method for shipping larger amounts of ecstasy from Belgium to the United States.

Belgian authorities continue to make a concerted effort to stem the tide of ecstasy headed for the United States. More than 5.1 million tablets were seized in 2002. Still more tablets were discovered by Belgian authorities, but allowed to continue to the United States (after alerting U.S. law enforcement) so the shipments could be tracked to their U.S. distributors.

Turkish groups continue to control most of the heroin trafficked in Belgium. This heroin is principally shipped through Belgium to the U.K. market, but also supplies Belgian and French users. Authorities estimate that Turkish traffickers control perhaps 80 percent of the Belgian heroin market.

Hashish and cannabis remain the most widely distributed and used illicit drugs in Belgium. Although the bulk of the cannabis consumed in Belgium is produced in Morocco, cultivation in Belgium continues to increase. A 2002 directive from the Minister of Justice directed Belgian authorities not to pursue criminal prosecution for minor possession of cannabis for personal consumption. In addition to the domestic demand for cannabis, Dutch distributors also provide a market for Belgian cannabis cultivation.

Although Belgium is not a major producer of precursor essential chemicals used in the illicit manufacture of drugs, it is an important transshipment point for these chemicals. Precursor chemicals that transit Belgium include: acetic anhydride (AA) used in the production of heroin; PMK and BMK chemical precursors used in the production of Ecstasy; and potassium permanganate used in cocaine production.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Following a nation-wide reorganization of the police services into one federal force in 2001, a new Federal Prosecutor's Office was established in 2002. This new office, which has jurisdiction over cases with national or international implications, has already enhanced U.S. counternarcotics cooperation with Belgium. The Office can serve as a central liaison for cases where primary jurisdictional responsibilities remain with local authorities throughout the country, as well as provide guidance to these authorities on matters of international cooperation.

As part of a national drug control strategy approved in 2001, Belgium's counternarcotics efforts focused on synthetic drugs. Work centered on three principal objectives: 1) dismantling illicit labs; 2) enhancing the interdiction of drugs to be shipped abroad (noting the United States as the primary destination); and 3) implementing joint investigations with neighboring countries. A new inter-agency national Synthetic Drugs Cell was established to provide policy advice for the reduction of drug demand and supply.

During its EU presidency (July-December 2001), Belgium, along with France and Finland, proposed an EU initiative to track precursor chemicals used in the production of illegal synthetic drugs. The European Commission decided not to fund the initiative, but Belgian authorities report that Belgium plans to resubmit the project to the Commission in 2003.

Accomplishments. Belgian authorities improved their interdiction efforts in 2002, particularly on ecstasy shipments bound for the United States. The DEA Brussels Office documented the seizure of more than 5.1 million tablets of ecstasy in Belgium in 2002. Belgium's largest ecstasy bust to date occurred in October 2002, when 1.4 million tablets were uncovered. The pills were hidden inside diamond-polishing machines that were to be shipped to the United States by sea, but the pills were uncovered before the equipment left the warehouse.

Increased efforts at Belgium's primary airport also reaped dividends in 2002. At Zaventem International Airport, Belgian authorities reported the seizure of more than 161 kilograms of ecstasy (644,000-800,000 tablets) found on the passengers, in the luggage, or hidden in airfreight.

Belgian Police also continued to locate and seize Amphetamine Type Stimulants (ATS) labs within Belgium. Nine labs were shut down in 2002, up from six in 2001.

Despite a continued shift away from criminal prosecution for the possession of cannabis for personal use, Belgian authorities made a concerted effort to shut down cannabis growing facilities. Police made 22 such seizures totaling more than 17,000 plants in 2002, compared to seven seizures in 2001.

For the first time in Belgium, authorities also seized a facility producing both cannabis and ecstasy under the same roof.

Law Enforcement Efforts. Belgian Law Enforcement authorities actively investigate individuals and organizations involved with illegal narcotics trafficking into and through Belgium. In keeping with Belgium's 2001 drug control strategy, authorities focused their efforts on combating illicit synthetic drugs. Belgian authorities continued to cooperate closely with DEA officials stationed in Brussels. The exchange of information between the U.S. and Belgian authorities continued to expand in 2002.

At Brussels Zaventem airport, non-uniform personnel trained by the Federal Police to help detect drug couriers were increasingly effective. Belgian authorities also took a more proactive approach to searches and inspections of U.S.-bound flights at the airport in 2002. Teams targeted several of these flights with an especially thorough examination of not only passengers, but also luggage and air freight.

The resources Belgium devotes to the inspection of sea freight, however, remains inadequate. While 3,000 to 4,000 containers are loaded and unloaded at the port of Antwerp each day, fewer than a dozen (roughly 0.03 percent) of these containers are searched each week. Two major discoveries of ecstasy intended for transport through Antwerp to the United States were an indication that the port may be utilized for major shipments of Ecstasy. In 2002, however, port inspectors found no shipments of Ecstasy. (Nearly two million tablets readied for shipment through Antwerp were uncovered, but before they were sent to the port.)

Corruption. Corruption is not judged a problem within the narcotics units of the law enforcement agencies. Legal measures exist to combat and punish corruption.

Agreements and Treaties. Belgium is a party to the 1988 UN Drug Convention. Belgium is also a party to the 1961 Single Convention and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. In December 2000, Belgium signed the UN Convention Against Transnational Organized Crime and its protocols, but it has not yet been ratified. The United States and Belgium have an

extradition treaty, as well as a Mutual Legal Assistance Treaty (MLAT) that entered into force in January 2000. In 2002, Belgium also signed a bilateral agreement proposed by United States as part of the U.S. Container Security Initiative. Under the agreement, U.S. Customs officials will be assigned to Belgium to serve as observers and advisors to Belgian Customs inspectors on U.S.-bound sea-freight shipments.

The Belgian Navy and the U.S. Coast Guard signed a Memorandum of Understanding in March 2001 formalizing Belgian Navy participation in the Caribbean Maritime Counterdrug Initiative. The MOU provides the terms and conditions for U.S. Coast Guard law enforcement detachments to embark in Belgian navy ships deployed to the Caribbean to participate in multinational efforts (led by the United States) to detect, monitor and interdict drug smuggling by sea and air in the Caribbean.

Cultivation/Production. Belgium's role as a transit point for major drug shipments, particularly Ecstasy, is more significant than its own production of illegal drugs. Nevertheless, Belgian authorities believe that the production of both ecstasy and cannabis has been on the rise the last few years.

Belgian authorities believe that Dutch suppliers increasingly look to Belgium for opportunities to expand their stocks of cannabis. Dutch distributors openly appeal to Belgians to grow cannabis, advertising marketing opportunities and start-up packages on the Internet. Belgian officials have previously reported that there is a misconception among some Belgians that growing cannabis is not illegal. A 2002 directive from the Minister of Justice instructing authorities not to pursue criminal prosecution for the personal possession of cannabis undoubtedly adds to the confusion.

Dutch traffickers are also linked to Belgium's production of Amphetamine-Type Stimulants (ATS). As Dutch law enforcement pressure mounts on producers of ecstasy and other ATS in the Netherlands, some Dutch producers either look to Belgian producers to meet their supply needs or establish their own facilities in Belgium. Authorities report that when Belgian ATS production facilities are uncovered, there is often a connection to Dutch traffickers.

Drug Flow/Transit. Belgium remains an important transit point for drug traffickers because of its port facilities (Antwerp is Europe's second-busiest port), international airports, excellent highway links to cities throughout Europe, and proximity to the Netherlands. Illicit drugs from Belgium flow to three primary destinations: the United States, the United Kingdom, and the Netherlands.

Israeli drug traffickers, perhaps partly due to longstanding ties to Antwerp, continue to figure prominently in the transportation of major shipments of ecstasy from Belgium. Two of Belgium's largest ecstasy busts in 2002 were connected to Israeli traffickers. A fast-growing trend in 2002, however, was the connection of airline passenger drug couriers to Dominican crime organizations. Couriers were often either Dominican immigrants resident in Belgium, or Europeans recruited by Dominican drug traffickers. The couriers were recruited both in the Dominican Republic and Belgium to transport ecstasy from Brussels to New York.

Couriers continued to employ a wide variety of methods in their efforts to conceal the drugs, including false-sided luggage, hidden compartments sewn into clothing, and ingestion. Meanwhile, authorities report an increase in the use of couriers and a decrease in the use of express and regular mail packages for transporting illegal drugs.

Turkish groups continued their domination of the Belgian heroin market, aided by the logistical help of some Turks resident in Belgium. Heroin is typically smuggled into Belgium via Italy or Eastern Europe. While authorities believe that the United Kingdom remains the primary destination of heroin moving through Belgium, new distribution trends also emerged in 2002. The Belgian cities of Ghent and Antwerp are growing domestic distribution centers, with Antwerp also increasingly serving French buyers. According to Belgian authorities, some French buyers are opting for Antwerp heroin over that available in the Netherlands because of the city's proximity and the higher quality heroin available there.

Demand Reduction. Belgium has an active counternarcotics educational program that targets the country's youth. The regional governments (Flanders, Wallonia, and Brussels) now administer such programs. The programs include education campaigns, drug hotlines, HIV and hepatitis prevention

programs, detoxification programs, and a pilot program for “drug-free” prison sections. The Belgian system contrasts with the U.S. approach in that Belgium directs and targets its programs at individuals who influence young people versus young people themselves. Teachers, coaches, clergy, and the like are thought to be better suited to deliver the counternarcotics message to the target audience because they already are known and respected by young people.

Following a 2000 “train the trainer” seminar conducted by the U.S.-based D.A.R.E. program for Belgian officials, the D.A.R.E. program is now utilized in Belgium. Belgian officials have since visited more than 600 schools and conducted the program for more than 20,000 Belgian students.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA officials in Belgium continue to describe Belgian cooperation as outstanding. Belgian and U.S. authorities cooperated through numerous Mutual Legal Assistance Treaty (MLAT) requests, International Controlled Drug Delivery (ICD) agreements, and informal exchanges of information. ICDs were used on six occasions in 2002, informing U.S. authorities of the pending movement of a large quantity of illicit drugs and agreeing to allow the delivery to proceed.

In addition to cooperation on specific cases, the DEA office in Brussels and the Belgian federal police regularly exchange intelligence information concerning trends and techniques employed by traffickers of ecstasy and other illicit drugs. This exchange of information has enabled both countries to anticipate emerging patterns of drug transportation.

The Road Ahead. The United States looks forward to continued close cooperation with Belgium in combating illicit drug trafficking and drug-related crime, with a growing emphasis on systematic consultation and collaboration on operational efforts. The United States also welcomes Belgium’s active participation in multilateral counternarcotics fora such as the Dublin Group of countries concerned with narcotics trafficking.

Bosnia and Herzegovina

I. Summary

Bosnia and Herzegovina remains a small but growing market for drug consumption and has emerged as a regional hub for narcotics transshipment. Despite increasing inter-entity (i.e., the entities (the Federation and Republika Srpska, established by Dayton Peace Accords) law enforcement cooperation, gradual improvements in oversight of the financial sector, several drug seizures, and some legal reform, local authorities are politically divided, law enforcement efforts are poorly coordinated, and the justice system still is antiquated and inadequate. The narcotics trade remains an integral part of the influence of foreign and domestic organized crime figures and ethnic extremists who operate with the tacit acceptance—if not active collusion—of some corrupt public officials. Bosnia and Herzegovina is a party to the 1988 United Nations Drug Convention, and is attempting to forge ties with regional and international law enforcement agencies. Border controls have improved, but significant flaws in the regulatory structure and justice system, coupled with a lack of attention by Bosnia's political leadership, have left few practical impediments to narcotics trafficking and related crimes.

II. Status of The Country

Bosnia and Herzegovina occupies a strategic position along the historic Balkan smuggling routes between drug production and processing centers in Southwest Asia and markets in Western Europe. Narcotics trafficking emerged as a serious problem during the 1991-1995 war, both as a reflection of the general breakdown of law and order and as a means for the warring parties to generate revenue. Bosnian authorities at the state, entity, cantonal, and municipal levels have been unable to stem the continued transit of illegal aliens, black market commodities (especially cigarettes), and narcotics since the conclusion of the Dayton Accords. Traffickers have capitalized in particular on an inefficient—and still largely politicized—justice system, widespread public sector corruption, the lack of specialized equipment and training in combating criminal networks that support illicit drug trade, and poor coordination between law enforcement authorities. Bosnia and Herzegovina is increasingly becoming a storehouse for drugs en route to Western Europe. Information on domestic consumption is not systematically gathered, but anecdotal evidence and law enforcement officials' reports indicate that demand is steadily increasing. No national drug information system focal point exists, and the collection, processing, and dissemination of drug-related data is neither regulated nor vetted by a state-level regulatory body. Moreover, Bosnia and Herzegovina lacks a comprehensive state-level strategy to stem narcotics trafficking and use; an inter-ministerial coordination body does not exist. There is also no federation-level control over confiscated drugs.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Although Bosnia and Herzegovina has neither a national police force nor a national counternarcotics control strategy, the full deployment of the State Border Service (SBS) this year has improved counternarcotics efforts. Telephone hotlines, local press coverage, and public relations efforts organized by the international community have focused public attention on smuggling and black-market teering. Foreign donors continue to provide law enforcement assistance training to Bosnian authorities both on a bilateral basis and through international agencies. The USG's bilateral law enforcement assistance program continues to emphasize task force training, and other measures against organized crime, including narcotics trafficking. The Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) and U.S. Customs programs provided specific counternarcotics training to entity Interior Ministries and the SBS.

Accomplishments. Under close supervision by the international community, Bosnian law enforcement agencies have taken initial steps toward increased cooperation on the counternarcotics front, most notably with the formation of an inter-entity joint task force. The state-level criminal procedure and criminal codes are undergoing a major overhaul and are set to be enacted in the early months of 2003, with the entities (the Federation and Republika Srpska) reportedly set to harmonize their codes soon thereafter. In particular, the new criminal procedure code would permit court-ordered communications surveillance, use of informants, undercover police work, etc., but there is expected to be a significant time lag before these new techniques bear fruit. Recent improvement in relations with the Federal Republic of Yugoslavia, working-level cooperation with Slovenian and Croatian law enforcement authorities, and an upgrade in Sarajevo's Interpol office may also presage progress in the fight against narcotics related crimes.

As of this year, the SBS is now responsible for all of Bosnia's borders. Forty-seven official international border crossings are now manned by SBS personnel and three of four international airports are under SBS control. Tuzla's airport is set to be re-opened, under SBS authority, to international traffic in early 2003. However, there are still a large number of illegal crossing points that the SBS does not control. Five SBS Mobile Support Units working under the authority of regional SBS headquarters are responsible for policing roughly four hundred unofficial entry points, such as dirt paths and river fords, over Bosnia's more than 1600-km border. Moreover, most official checkpoints are minimally staffed and many crossings are severely understaffed, bordering on unsafe manning levels. Though the task of building a border control that meets European standards remains far from complete, less porous borders achieved with better SBS deployment should help stem the flow of illicit goods through Bosnia. The SBS, meanwhile, has recently established a Central Investigative Office, as well as units for control and intelligence, and established a program to train police dogs.

With significant USG and international community financial assistance and technical support, computerized tracking information systems have been installed at Sarajevo, Banja Luka, and Mostar international airports. But the SBS lacks adequate command, control, and communication expertise, technology and equipment, as well as professional training. The U.S. has begun the process of supplying the SBS with a secure radio communications network that will greatly enhance the ability of headquarters and regional offices to direct, control, and coordinate operations with mobile and fixed border crossing units.

Each of the ten Federation cantons has an counternarcotics enforcement unit, ranging in size from eleven persons in Sarajevo Canton to two persons in smaller cantons. Yet information exchange among the ten cantons' police forces—vitally important for effective law enforcement—is limited. Each canton is separately administrated and budgeted, essentially independent of Federation-level coordination or control. However, consistent with a new law on internal affairs, inspectors of the Federation Interior Ministry's (FMUP) and Cantonal Ministries counternarcotics departments signed an agreement on October 30. The agreement outlined a strategy whereby information on the apprehension of the perpetrators of drug-related criminal acts and intelligence on organized groups that commit these crimes would be shared. The agreement also emphasized the need to improve cooperation with the SBS and authorized institutions in the Republika Srpska, Brcko District and neighboring countries. In addition, the establishment of FMUP field offices in each canton during the last year has improved Federation-wide coordination of major investigations.

Despite the existence of information-sharing agreements and recent legislation (i.e., the "Law on Legal Assistance among Entities and Brcko" that was imposed by the High Representative (Apr 23) and passed by the BiH (Bosnia and Herzegovina) Parliament (Jul 3)) regulating contacts, provision of evidence, and information sharing and testimony between court systems, legal and law enforcement cooperation is primarily informal and ad hoc. Mutual legal assistance is severely limited by judicial bureaucracy, and serious legal and bureaucratic obstacles to the effective prosecution of criminals remain in place. In November, an Una Sana Cantonal investigative judge released two Bosnian citizens, taken into custody by the SBS, who were wanted on an Interpol narcotics-related warrant issued at the request of Austrian authorities. Neither the Republika Srpska (RS) nor the Federation has made significant progress in

addressing the legal environment that allows criminals to act with virtual impunity. Neither entity has pursued new legislation to adequately enforce or reinforce existing asset seizure/forfeiture or money-laundering statutes. However, under international community pressure, an aggressive judicial reform process is underway to vet and reappoint (only those with demonstrated competency and highest integrity) all judges and prosecutors in the country. The process is expected to take at least a year to complete.

Law Enforcement Efforts. Counter-narcotic efforts have improved but remain inadequate given suspected trafficking levels. In the Federation, drug-related arrests have decreased by 48 percent, while the number of minor offense reports has skyrocketed to 1408 incidents against 1615 persons. Federation counternarcotics operations have resulted in the seizure of approximately 80 kilograms of marijuana (a net 62 percent decrease over 2001 levels), 1,133 grams of heroin (a 116 percent increase), and 1047 ecstasy pills (a 78 percent increase). From data through December 1, 2002, arrests in the RS are down twelve percent compared to 2001 levels. RS police operations have resulted in the seizure of approximately 91 kilograms of marijuana (a net 64 percent decrease), 2,135 grams of heroin (almost 20 times less than last year), and 82 ecstasy pills (a 92 percent decrease). Preliminary figures indicate that the SBS seized approximately 90 kilograms of marijuana, 1.35 grams of heroin, and 32 ecstasy pills through December 16, 2002.

On June 4, the Banja Luka Basic Court sentenced Slobodan Solaja, former director of the Banja Luka firm Intergames, to eight and a half years imprisonment for trafficking 164 kilograms of pure cocaine, valued at approximately U.S. \$15 million. On September 20, 2000, Solaja was caught transporting 144 parcels of cocaine imported from Panama in jars. Subsequent to the cocaine seizure, a large cache of weapons and ammunition was found at Solaja's residence.

On Aug 1, an SBS Trebinje unit confiscated 42 packages of marijuana totaling 41.310 kilograms. After an SBS official approached the vehicle for a routine inspection, the driver (a Croatian citizen) fled the border area to Montenegro, leaving travel documents and vehicle behind. The SBS subsequently issued a warrant through Interpol. On December 12, members of the SBS seized 17.9 kilograms of marijuana in the border area with Croatia near Posusje, arresting two Croatian citizens. The SBS said the two tried to smuggle the drugs hidden in their car. The Cantonal Prosecutor is expected to press charges against the suspects, who are repeat offenders.

These actions represent largely isolated efforts by local authorities rather than a coordinated national counternarcotics program. Despite these individual successes, narcotics trafficking remains a crime of opportunity limited primarily by the interest of criminal elements in the higher profit margins offered by black-marketeering, alien smuggling, and human trafficking. Authorities have yet to focus systematically on major narcotics traffickers, and have yet to bring a major case involving a criminal network to trial, or bring adequate resources to bear.

Corruption. Bosnia and Herzegovina has no laws specifically targeting narcotics-related public sector corruption and has not pursued charges against public officials on narcotics-related offenses. A long-standing parliamentary inquiry into the disappearance of over 20 kilograms of heroin from the safe of the war-time Federation Interior Minister has made no progress to date.

Agreements and Treaties. There is no bilateral agreement between Bosnia and Herzegovina and the United States specifically pertaining to counternarcotics. Bosnia and Herzegovina is a party to the 1988 United Nations Drug Convention and is developing bilateral law enforcement ties with neighboring states to combat narcotics trafficking.

Drug Flow and Transit. Bosnia authorities believe that significant heroin and marijuana shipments pass through Bosnia and Herzegovina along several well-established overland routes. Local officials believe that Western Europe—not the U.S.—is the destination for this traffic. Judging by reported seizures, cocaine use and trafficking is minimal, while the market for designer drugs, especially Ecstasy, in urban areas is rising rapidly. Law enforcement authorities posit that elements from each ethnic group and all

major crime “families” are involved in the narcotics trade, often collaborating across ethnic lines. There is mounting evidence of links between, and conflict among, Bosnian criminal elements and organized crime concerns in Russia, Albania, the Federal Republic of Yugoslavia, Croatia, Austria, Germany, and Italy.

Cultivation and Production. Officials believe that domestic cultivation is limited to small-scale marijuana crops grown in southern and western Bosnia. However, cannabis production is reportedly going down, largely as a result of the ready import of cheaper and better quality cannabis from Albania through Montenegro. There are also indications that there is increasing production of synthetic drugs, like ecstasy, on a small but rapidly increasing scale. Though Bosnia and Herzegovina does not have the industrial infrastructure that could support large-scale illicit manufacturing, a modest level of synthetic drugs produced in clandestine labs cannot be ruled out given that the production and possession of chemical precursors to synthetic narcotics are currently legal under Bosnian law. This legislative loophole will be closed under the new criminal code.

Domestic Programs. Although individual cantons have sponsored pilot community outreach programs and sought international assistance to introduce more proactive initiatives, there is no national drug awareness program.

In terms of rehabilitation, the Non-Governmental Organization known as UG PROI—The Citizen’s Association for Treatment, Support, and Re-Socialization of Drug Addicts—is very active in developing therapeutic communities. UG PROI seeks assistance (both financial and political) to realize its goal of establishing Bosnia’s first non-governmental and ecumenical rehabilitation center, based on the Daytop concept, in Lepenica, Ilidza municipality. The Sarajevo Canton Health Ministry purchased 15,000 square meters of land (for approximately U.S. \$37,000) in Rakovica, and will begin construction of a government-operated therapeutic center for recovering drug addicts next year.

Once power and water are re-connected and an access road improved, the facility, donated (along with surrounding rural acreage) to UG PROI by a generous Bosnian family whose parents recently passed away, is expected to house twelve recovering addicts and two care providers. The Sarajevo Canton Health Ministry purchased 15,000 square meters of land (for approximately U.S. \$37,000) in Rakovica, and will begin construction of a government-operated therapeutic center for recovering drug addicts next year.

In June, the UNODC launched a new project aimed at helping

Southeastern European countries gather, analyze and share intelligence regionally on narcotics trafficking. The objective of the U.S. \$2.2 million project is to increase the capacity of states in intelligence collection and analysis contributing to their ability to identify traffickers and disrupt their networks. Since 1999, the UNODC established a field operations unit in Sofia, Bulgaria, initially covering Bulgaria, Romania, and the Former Yugoslavian Republic of Macedonia. But the new project announced in June will expand coverage to the Federal Republic of Yugoslavia, Croatia, Slovenia, and Bosnia and Herzegovina. Meanwhile, Bosnia’s UNODC office is currently seeking voluntary contributions from donor governments and has put forward several counternarcotics proposals, covering supply reduction, interdiction (i.e., strengthening surveillance and border control capacities), enhanced regulation and control of chemical precursors, school-based drug abuse awareness and prevention, and laboratory and forensic science support. The UNODC is planning a school-based drug prevention program; the project is awaiting approval from UNODC headquarters. The UNODC proposed a similar project dealing with all stages of drug prevention to both entity governments more than two years ago but determined that the country was not ready to accept such a joint community project at that time.

IV. U.S. Policy Initiatives and Programs

Policy Aims. USG policy objectives in Bosnia and Herzegovina include reforming the criminal justice system, strengthening the rule of law, depoliticizing the police, improving local governance, introducing economic reforms and free-market initiatives, and strengthening the bank regulatory authorities. The USG will continue to work closely with Bosnian authorities and the international community to combat

narcotics-trafficking and money-laundering, and remains committed to providing the counternarcotics training and support needed to foster independent law enforcement operations by Bosnian authorities.

The Road Ahead. As the EUPM takes over for the IPTF, building local capacity becomes even more of an imperative (as the EUPM will have far fewer officers; approximately one-third the IPTF's size). The

EUPM will concentrate on monitoring mid- to upper-levels of law enforcement management, placing special emphasis on advanced specialized policing skills, in areas such as counternarcotics, organized crime and counterterrorism. However, coordination among the international community is complicated by a lack of continuity and frequent turnover of international personnel; as international experts depart, knowledge leaves with them.

Strengthening the rule of law, and reforming the judiciary remain top USG priorities. The USG will continue to focus its bilateral programs on organized crime, public sector corruption, and border controls. The adoption and full implementation (as well as providing appropriate training and technical assistance) of the new criminal and criminal procedure codes are pivotal U.S. and international community goals for next year. The international community is also working to increase local capacities and to encourage interagency cooperation by mentoring and advising the local law enforcement community.

Bulgaria

I. Summary

Bulgaria, strategically situated on Balkan routes between Turkey to the Southeast and Romania and Serbia to the North and West, is vulnerable to illegal flows of drugs, people, contraband and money in either direction. Heroin moves through Bulgaria from Southwest Asia, while chemicals used for making heroin move from the former Yugoslavia to Turkey and beyond. Marijuana and cocaine also pass through Bulgaria. The DEA reports that organized crime networks linked to Bulgaria have a “direct U.S. impact nexus” with bases in Phoenix, Las Vegas, and Los Angeles. In 2001, Bulgaria seized roughly as much heroin as all other European countries combined.

In 2002 the government issued a national counternarcotics strategy and encouraged the creation of an counternarcotics coalition involving 60 non-governmental organizations (NGOs). At the same time, the government has continued to make steady, if not spectacular, progress in improving its law enforcement capabilities and customs service. The Government of Bulgaria (GOB) has proven very cooperative, working with many U.S. agencies, and has reached out to neighboring states to work on the illegal flows of drugs and persons. Nevertheless, Bulgarian law enforcement agencies, and the judiciary, require further assistance to develop the capacity to fight serious crimes effectively. Bulgaria is a party to the 1988 UN Drug Convention.

II. Status of Country

Bulgaria is a significant drug-transit country centrally located on three traditional Balkan routes between Turkey and, respectively, the Federal Republic of Yugoslavia, Romania, and the Former Yugoslav Republic of Macedonia. Small quantities of opium poppies and cannabis are grown in Bulgaria. Clandestine labs produce amphetamines. Acetic anhydride (heroin precursor) diverted illicitly from its normal use, is transported from Bulgaria to Turkey. As elsewhere in the region, those involved in illegal drug trafficking may also be linked to smuggling weapons, cigarettes and human beings.

The Government of Bulgaria has emphasized its commitment to combat serious crime including corruption and drug trafficking. Despite some progress, there were no major convictions for drug trafficking, organized crime, or money laundering during 2002. Among the problems hampering counternarcotics efforts are poor inter-agency cooperation, weak witness and victim protection mechanisms, inadequate equipment to facilitate the search for drugs, corruption and a weak judicial system.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The Bulgarian Government issued a national drug prevention strategy in 2002 and continued efforts to interdict the flow of narcotics through Bulgaria, but was hampered by a general lack of resources. Additional measures begun in 2002 included the creation of an counternarcotics coalition involving some 60 NGOs, and work on establishing “prevention information centers” in various municipalities.

The year also saw the stabilization of management at the Bulgarian Customs service, and efforts continued to enhance that agency’s ability to seize contraband, combat corruption, and increase revenue collection. With support from the British firm Crown Agents, mobile inspection teams were finally deployed in the summer of 2002 to stop and search for drugs in any vehicle in the country. The principal investigative agency in this area is the National Service for Combating Organized Crime (Bulgarian acronym NSBOP), which collects and analyzes information from all agencies, and has national jurisdiction. The Customs

Service and NSBOP continued to receive support and training from the international community, including the EU and UN.

Accomplishments. 2002 saw the creation a broad-based counternarcotics coalition, as well as the elaboration of a national counternarcotics strategy. Plans include creation of a national information center within NSBOP and including representatives of the Customs and financial intelligence services.

Law Enforcement Efforts. From January to December 15, 2002, Bulgarian Customs seized 663.8 kilograms of drugs, including 424 kilograms of heroin and 225.6 kilograms of marijuana and nine kilograms of amphetamines. Some 1,500 kilograms of precursor chemicals were taken in an operation between June 10 and July 10. This compares to roughly 2,000 kilograms of drugs seized in 2001 (including some 1,500 kilograms of heroin) and 2,541 kilograms of narcotics in 2000 (of which 1,785 kilograms were heroin). The drop in seizures may indicate that successful Bulgarian interdiction efforts have prompted traffickers to find alternate routes into Europe.

As in 2001, there was a brief, sharp “war” between groups seeking to control the Bulgarian drug market. Following three gangland-style shootings in August, Bulgarian authorities detained over 1000 people allegedly connected to drug trafficking and other crimes in raids on over 797 locations that also netted significant quantities of drugs, arms and ammunition. Prior to that, from January through June 2002, the National Police detained 770 persons for possession of narcotics, while 210 were arrested for drug dealing.

Corruption. The government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, nor the laundering of proceeds from illegal drug transactions. This year the government unveiled an “action plan” to implement its 2001 anti-corruption strategy. Despite some progress, however, corruption in various forms remains a serious problem. The Customs Service is widely considered the most corrupt government agency. However, there was no evidence that senior government officials engaged in, encouraged or facilitated the production, processing, shipment or distribution of illegal narcotics.

Agreements and Treaties. Bulgaria is a party to the 1988 UN Drug Convention, the 1961 Single Convention and its 1972 Protocol, the 1971 Convention on Psychotropic Substances.

The 1924 U.S.-Bulgarian Extradition Treaty and a 1934 supplementary treaty are in force and in use although there have been difficulties in implementation in narcotics cases. For example, a Bulgarian court in 2000 released an indicted narcotics trafficker whose provisional arrest and extradition the U.S. had requested. As a result of these difficulties, consultations were conducted in 2001 with Bulgaria regarding implementation of the treaty. The U.S. and Bulgaria signed a narcotics assistance cooperation agreement in 2000, and the Bulgarian Government has indicated a strong desire to negotiate a Mutual Legal Assistance Treaty (MLAT) with the U.S.

Cultivation and Production. Law enforcement officials do not routinely calculate crop size or yields for illegal narcotics crops, but most observers view narcotics production in Bulgaria as marginal.

Drug Flow/Transit. Heroin from Southwest Asia sources (e.g., Afghanistan) remains the main illegal drug transiting Bulgaria. There is also some transit of marijuana and cocaine. The Northern Balkan route from Turkey through Bulgaria to Romania is the most frequently used overland route. Other routes go through the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia. In previous years, Bulgarian officials noted the transiting of apparently increasing amounts of cocaine from Brazil. Precursor chemicals for the production of heroin pass from the Federal Republic of Yugoslavia through Bulgaria to Turkey.

Domestic Programs (Demand Reduction). The most popular illicit drugs are reportedly cannabis, heroin, synthetic drugs and cocaine, in that order. Law enforcement agencies estimate that the monthly consumption of heroin in Bulgaria is 60 kilograms, of which 20 to 25 kilograms are consumed in Sofia alone. Although Bulgaria’s drug abuse problem is not growing as rapidly as some observers had anticipated, it is growing in part because drug traffickers “pay” local criminal organizations in kind.

Experts estimate that, in this country of slightly less than eight million, there are up to 50,000 heroin users, fewer than 10 percent of whom are in treatment. Cocaine is too expensive for all but the wealthy. Marijuana has traditionally been used in rural areas. Ecstasy is an important and growing problem among university students. As in previous years, drug consumption (including glue sniffing) among marginalized groups such as the Roma (gypsies) remains a serious problem.

Demand reduction has received government attention for several years. The Ministry of Education requires that schools nationwide teach modules on substance abuse. There is also a World Health Organization program for health promotion in 30 target schools. The Bulgarian National Center for Addictions (NCA) provides training seminars on drug abuse for schoolteachers nationwide. There are also municipal demand reduction programs co-sponsored by the NCA and the Institute of Public Health in six major cities and a number of smaller communities. Three universities provide professional training in drug prevention. In 2002 the Government also created a coalition bringing together 60 counternarcotics NGOs and government agencies.

For drug treatment, there are 35 outpatient units and 10-12 inpatient facilities nationwide. The NCA has psychiatric units in 20 regional centers. Specialized professional training in drug treatment and demand reduction has been provided through programs sponsored by UNODC (funded by the U.S. State Department and the Government of Italy), EU/PHARE and the Council of Europe's Pompidou Group.

IV. U.S. Policy Initiatives and Strategies

U.S. assistance to Bulgaria targets lack of adequate equipment (e.g., in the Customs Service), the need for improved administration of justice at all levels (starting with investigations and continuing through better training of judges), and the inadequacy of cooperation among Bulgarian agencies. A Department of Justice (DOJ) Resident Legal Advisor works with the Bulgarian Government on law enforcement issues including trafficking in drugs and persons. A DOJ/Central and East European Law Initiative advisor advises Bulgarian prosecutors and investigators. USAID's assistance to the training of magistrates also serves to reinforce Bulgaria's counternarcotics effort.

The Road Ahead. Among the most important steps the U.S. would like to see taken by the Government of Bulgaria are: overhaul of the cumbersome Code of Criminal Procedure; structural reforms to the judicial system; increased resources for training investigators, prosecutors and judges; greater cooperation between police and prosecutors; successful prosecution of organized crime figures (especially but not limited to drug traffickers); implementation of the anti-corruption program; continued progress in reforming the Customs service; proper limits on magistrates' immunity, and the establishment of adequate witness protection mechanisms.

Croatia

I. Summary

Croatia is not a producer of narcotics. However, narcotics smuggling—particularly heroin—through the “Balkans Route” to Western Europe remains a serious concern. The “Balkans Route” appears to be the source of narcotics for most of Croatia’s domestic consumption of heroin. Ecstasy and other pill-form drugs are smuggled into Croatia from Western Europe—the Netherlands appears to be a primary source. Croatia has moved to increase law enforcement and border control cooperation with its neighbors, including the Federal Republic of Yugoslavia (FRY) and Bosnia and Herzegovina.

Croatia’s interior and health ministries are the government bodies most directly involved in counternarcotics activities. Croatia’s national narcotics strategy focuses on reducing domestic availability and demand for narcotics and curtailing Croatia’s use as a narcotics transshipment point. Croatia is a party to the 1988 UN Drug Convention.

In December 2001, Croatia’s new counternarcotics law went into effect, creating an interagency commission to fight drug abuse and a new office of drug control policy. The new office of drug control policy will serve as a resource for the commission and for ministries dealing with drug-related issues.

II. Status of Country

Croatia, astride the most direct route to Europe from Western Asia and with limited resources for securing its extensive coastline and land borders, offers significant possibilities for smuggling narcotics and other contraband. Police officials note a steady increase in smuggling from the east. Croatian police estimate 60 to 70 percent of heroin destined for European markets is smuggled through the notorious “Balkans Route,” although some traffic flows through alternative routes that go as far north as Russia.

Domestic narcotics abuse remains a priority area of attention. Drug abuse is centered in major urban areas. Along with Zagreb, the port cities of Split and Rijeka are major centers of drug abuse.

III. Country Actions Against Drugs In 2002

Policy Initiatives. Croatia’s parliament passed a new drug law in late November 2001, which entered into force in early December. The law identifies drug trafficking and abuse as priorities for the Croatian government and creates a senior-level interagency commission to oversee government efforts on the issue. The law also creates a permanently staffed government office of administrators and policy experts from enforcement and abuse prevention to support the work of the commission and the ministries involved in the fight against drugs. In 2002 the government also strengthened controls over narcotics precursors.

Croatia is moving to strengthen and expand its 1998 national strategy for combating narcotics abuse. Croatia’s strategy includes measures to reduce supply and demand and also addresses treatment issues. The Interior Ministry, Justice Ministry and Customs Directorate have primary responsibility for law enforcement issues, while the Ministry of Health has primary responsibility for the strategy to reduce and treat drug abuse. The Interior Ministry’s counternarcotics division is responsible for coordinating the work of drug units in police departments throughout the country. The Interior Ministry maintains cooperative relationships with Interpol and an expanding number of neighboring states.

Since coming to power in 2000, the current Croatian government has taken some steps to strengthen the criminal code. However, Croatian law enforcement would benefit from additional legal tools such as plea bargaining and witness protection to boost its effectiveness against organized crime and narcotics trafficking.

Croatia has intensified its cooperation with neighboring and Western European states to improve the control and management of its still porous borders. Cooperation with neighboring states is generally described as excellent. However, officials complain that overlapping jurisdictions and significant legal loopholes in Bosnia and Herzegovina limit the utility of cooperation. The United States is providing technical assistance to the Croatian customs directorate in support of its participation in a World Bank/SECI trade and transportation facilitation project that, inter alia, will assist the GOC in interdicting contraband shipments. The United States also is increasing its technical assistance to Croatia to assist the GOC in its efforts to improve the criminal justice system and attack organized crime and money laundering.

Law Enforcement Efforts. Major seizures of narcotics in Croatia during the first ten months of 2002 include 35 kilos of heroin—19.5 kilos in one seizure—16 kilos of amphetamines and over 24,000 tablets of ecstasy. Additionally, on December 14, 2002, police announced the seizure of 42,000 ecstasy pills being smuggled into Croatia, apparently from the Netherlands. Overall, police report 7,432 narcotics offenses involving 6,552 persons in the first ten months of 2002. This represents an increase of over 10 percent in comparison to the same time frame in 2001. Because of the high price of cocaine, heroin and marijuana appear to remain the local drugs of choice, although the use of ecstasy appears to be increasing rapidly. Street prices of ecstasy have fallen by over two-thirds since 2001. Because of Croatia's small market and its relatively porous border, Croatian police report all drugs are available in Croatia; the Ministry of Interior has not detected any indigenous narcotics labs.

The Croatian government created a special office within the office of the state attorney (prosecutor's office) to combat organized crime and corruption. This office is given enhanced powers to detain suspects, freeze assets and use plea bargaining to attack organized crime. However, after more than a year of operation, the Croatian Government has not yet found the resources to staff and equip fully this important law enforcement office. More positively, the government is developing new legislation on witness protection and a thorough overhaul of the penal code is underway.

Corruption. Narcotics-linked corruption does not appear to be a major problem in Croatia. The Croatian prosecutor's office is seeking to prosecute a number of businessmen and politicians linked to the right-wing HDZ party for corruption, smuggling and financial crimes during the party's rule in the 1990s. Some of the smuggling offenses reportedly involved narcotics, according to local press reports.

Agreements and Treaties. In 2001 and 2002 Croatia entered into a number of agreements with neighboring states on law enforcement cooperation, including Slovenia, Bosnia and Herzegovina, Yugoslavia and Hungary. It also continued to intensify its cooperation with Austria, Germany, Italy and Slovenia on border control. In 2000 Croatia entered the Southeast Europe Cooperative Initiative's (SECI) agreement to prevent and combat trans-border crime. Extradition between Croatia and the United States is governed by the 1902 extradition treaty between the U.S. and the Kingdom of Serbia, which remains in force between the United States and Croatia. The Croatian Constitution prohibits the extradition of Croatian citizens, except to the Hague War Crimes Tribunal for the Former Yugoslavia.

Cultivation/Production. Small-scale production of cannabis for domestic use is the only narcotics production within Croatia.

Demand Reduction. Croatia's new law on drugs will enable the Health Ministry to support the efforts of non-governmental (primarily church-based) drug treatment programs. According to the Center for Prevention and Outpatient Addiction Treatment, 6,786 persons underwent drug addiction treatment in 2001, a 30 percent increase from the previous year. The number of first time treatment seekers rose by 7.6 percent to 1,270 in 2001 from 2000. Overall the government estimates that Croatia has between 14,000 and 16,000 heroin addicts. There were 53 drug-related deaths in Croatia. Ninety-five percent of the addicts are believed to have either hepatitis B or C.

The Ministry of Education requires drug education in primary and secondary schools. The state-run medical system offers treatment for addicts, but slots are insufficient to accommodate all those needing

treatment. The ministry of health operates in-patient detoxification programs as well as 14 regional outpatient methadone clinics. The government of Croatia announced that it would allocate nearly 7 million Kuna (U.S. \$900,000) in budgetary support for demand reduction in 2003, triple the 2002 allocation. The GOC also will sponsor the creation of expert advisory groups that will work with local governments to counter drug abuse. The government continues to run public awareness campaigns against drug use and continues to reject calls to decriminalize possession of marijuana for personal use.

IV. U.S. Policy Initiatives and Programs

Croatia's democratic transition in 2000 opened the door to enhanced bilateral law enforcement cooperation. Since that time the USG has stationed a resident legal advisor (RLA) in Zagreb whose portfolio includes intensive work with the Ministry of Justice and the State Prosecutor's Office. The RLA also is coordinating the provision of technical assistance to the GOC and the courts on issues such as money laundering, organized crime and witness protection.

In 2001 the USG also launched a program of technical assistance to the Interior Ministry with the goals of supporting GOC police reform efforts, modernizing police training and strengthening internal affairs and general police policies and procedures. In addition, the United States is providing technical assistance to the Croatian customs directorate that, inter alia, will improve the capabilities of Croatian customs to profile suspicious shipments, interdict drug shipments and curb corruption.

The Road Ahead. The U.S. will continue to work closely with Croatian authorities to improve narcotics law enforcement.

Cyprus

I. Summary

Although Cypriots do not produce or consume significant amounts of narcotics, there continues to be increasing concern on the island about an increase in drug use. The Government of Cyprus traditionally has had a low tolerance toward any use of narcotics by Cypriots and continues to utilize a public affairs campaign to remind Cypriots that narcotics use carries heavy costs, and risks stiff criminal penalties. Drug traffickers use Cyprus to a limited extent as a trans-shipment point due to its strategic location and its relatively sophisticated business and communications infrastructure.

Cyprus monitors the import and export of dual-use precursor chemicals for local markets. Cyprus' geographic location and its decision to opt for free ports for its two main seaports continue to make it an ideal transit country for legitimate trade in chemicals and most goods between Europe and the Middle East. Cyprus customs authorities have implemented changes to their inspection procedures, including computerized profiling and expanded use of technical screening devices, such as portal monitors to deter those who would attempt to use Cyprus free ports for narcotics smuggling. The police established a new unit in 2002 to coordinate with foreign law enforcement authorities. A party to the 1988 UN Drug Convention, Cyprus strictly enforces tough counternarcotics laws, and its police and customs authorities maintain excellent relations with their counterparts in the U.S. and other governments.

II. Status of Country

Cyprus' small, population of soft-core drug users continues to grow slowly. Cannabis is the most commonly used drug, followed by heroin, cocaine, and MDMA (Ecstasy), all of which are available in major towns. Reports of heroine overdoses, sometimes resulting in death, have increased. The use of cannabis and Ecstasy by young Cypriots and tourists continues to grow. The Government of Cyprus has traditionally adopted a low tolerance toward any use of narcotics by Cypriots and uses a pro-active public relations strategy to remind Cypriots that narcotics use carries heavy penalties. The media reports extensively whenever narcotics arrests are made.

Cypriots themselves do not produce or consume significant quantities of drugs. The island's strategic location in the eastern Mediterranean creates an unavoidable liability for Cyprus, as Cyprus is a convenient stopover for narcotics traffickers moving from Southwest Asia to Europe. Precursor chemicals are believed to transit Cyprus in limited quantities, although there is no hard evidence. Cyprus offers relatively highly developed business and tourism facilities, a modern telecommunications system, and the fifth largest merchant shipping fleet in the world. Drug-related crime, still low by international standards, has been steadily rising since the 1980's.

Cypriot law carries a maximum prison term of one year for drug users under 25 years of age with no police record. Sentences for drug traffickers range from four years to life, depending on the substances involved and the offender's criminal record. Cypriot law allows the confiscation of drug-related assets and allows the freezing of profits or a special investigation of a suspect's financial records.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The Cyprus Police established a new unit at its Headquarters to coordinate liaison matters with foreign law enforcement agencies. The new unit is called the Operational Center of International Police Co-operation and Support Unit. The Unit is responsible for the national coordination of all international police co-operation activities carried out by the Cyprus Police (National Central Bureau of INTERPOL, the EUROPOL National Unit and the S.I.R.E.N.E (SCHENGEN)). The

Unit is also responsible for cooperating with foreign liaison officers appointed to Cyprus as well as Cypriot liaison officers appointed abroad.

Cultivation/Production. Cannabis is the only illicit substance cultivated in Cyprus, and it is grown only in small quantities for local consumption. The Cypriot authorities vigorously pursue this illegal cultivation.

Drug Flow/Transit. Although no longer considered a significant transit point for drugs, Cyprus has seen several cases of narcotics smuggling. During the past year, Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated in 2001. These cases are expected to go to trial in 2003. Cypriot police cooperation and information sharing led to the initiation in 2002 of three new international narcotics investigations.

Tourism to Cyprus is sometimes accompanied by the import of narcotics, principally Ecstasy and cannabis. Cyprus police believe their efforts in combating drug trafficking have mostly converted Cyprus from a drug transit point to a “broker point,” in which dealers meet potential buyers and negotiate the purchase and transport of future shipments. This change is likely also as a result of improved conditions in Lebanon. Lebanese containerized freight now moves directly to third countries without transiting Cyprus. Law enforcement authorities in Cyprus attempt to interdict drugs transiting Cyprus when information is made available. Cypriot law enforcement authorities continue their policy of close cooperation with international efforts to combat organizations responsible for the trafficking of narcotics. In the past, Cypriot authorities believed that there was no significant retail sale of narcotics occurring in Cyprus; however, with new information, that belief changed in 2002. Last year, arrests of Cypriots for possession of narcotics with intent to distribute were more than double the number of arrests of non-Cypriots on similar charges.

There is no production of precursor chemicals in Cyprus, nor is there any indication of illicit diversion. Precursor chemicals manufactured in Europe do transit Cyprus to third countries. The Cyprus Customs Service no longer has the responsibility of receiving manifests of transit goods through Cyprus. This responsibility now rests with the Cyprus Ports Authority. Goods entering the Cypriot free ports of Limassol and Larnaca can be legally re-exported using different transit documents, as long as there is no change in the description of the goods transported.

Law Enforcement Efforts. Cyprus aggressively pursues drug seizures, arrests, and prosecutions for drug violations.

- Cyprus focuses on major traffickers when the opportunities are available and readily supports the international community in its efforts.
- Cyprus established a new unit for coordinating with foreign law enforcement agencies. Cyprus also increased by 20 percent the number of investigators assigned to the counternarcotics unit.
- Cypriot police are generally effective in their law enforcement efforts; their techniques and capacity remain restricted by a shortage of financial resources.

The Republic of Cyprus authorities have no working relations with enforcement authorities in the Turkish-controlled northern sector of the island. The self-proclaimed “Turkish Republic of Northern Cyprus” (TRNC) is not recognized by the United States, or any other country, except Turkey. The U.S. Embassy in Nicosia, including in particular the DEA office within the Embassy, works with Turkish Cypriot authorities on international narcotics-related issues. Turkish Cypriots have their own law enforcement organization, responsible for the investigation of all narcotics-related matters. They have shown a willingness to pursue narcotics traffickers and to provide assistance when asked by foreign law enforcement authorities.

Corruption. There is no evidence that senior or other officials facilitate the production, processing, or shipment of drugs, or the laundering of the proceeds of illegal drug transactions.

Agreements and Treaties. Cyprus is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention on Narcotic Drugs, and the 1971 Convention on Psychotropic Substances. It is also a party to the 1995 European Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, the European Convention on the Transfer of Proceedings in Criminal Matters, and the European Convention on Mutual Assistance in Criminal Matters. Cyprus has signed the UN Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants. An extradition treaty between the United States and Cyprus entered into force in September 1999. The mutual legal assistance treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002.

Domestic Programs (Demand Reduction). Cyprus actively promotes demand reduction programs through the school system and through social organizations. Drug abuse remains relatively rare in Cyprus. Marijuana is the most commonly encountered drug, followed by heroin, cocaine, and Ecstasy, all of which are available in most major towns. Users consist primarily of young people and tourists. Recent increases in drug use have prompted the Government to promote demand reduction programs actively through the school system and social organizations, with occasional participation from the DEA office in Nicosia. Drug treatment is available.

IV. U.S. Policy Initiatives and Programs

The U.S. Embassy in Cyprus, through the regional DEA office, works closely with Cypriot police to coordinate international narcotics investigations and evaluate local narcotics trends. Utilizing its own regional presence, DEA assists the new coordination unit in establishing strong working relationships with its counterparts in the region. DEA also works directly with Cypriot customs, in particular, on development and implementation of programs to ensure closer inspection and interdiction of transit containers.

In 2002, DEA provided training in drug interdiction techniques at international airports to senior narcotics investigators assigned to Cyprus' two international airports. DEA also provided two-weeks of training for a senior drug unit commander, funded through the Fulbright program. The USG seeks to provide additional local and regional training in narcotics investigative techniques to support the new international coordination unit and the expansion of the existing narcotics unit.

The Road Ahead. The USG receives close cooperation from the Cypriot Office of the Attorney General, the Central Bank, the Cyprus Police, and the Customs Authority in drug enforcement and anti-money laundering efforts. In 2003, the USG will continue to work with the Government of Cyprus to strengthen enforcement of existing counternarcotics laws and enhance Cypriot participation in regional counternarcotics efforts.

Czech Republic

I. Summary

The Czech Republic remains both a transshipment and destination country for illegal narcotics. Both Czech and foreign criminal elements produce pervitine (a Czech-created methamphetamine), primarily for in-country consumption. Cannabis is abused more than any other drug in the Czech Republic.

Czech counternarcotics policy emphasizes both interdiction and criminal penalties against narcotics traffickers and, to a lesser extent, users. Czech cooperation with U.S., European, and international law enforcement efforts remains excellent. The Czech Republic is a party to the 1988 UN Drug Convention.

II. Status of Country

Cannabis remains the most widespread illegal drug used in the Czech Republic. It is both imported (i.e. from India, Pakistan, Morocco, Afghanistan, Nigeria, the Netherlands, and Lebanon) and grown locally (indoors and outdoors).

While the use of cannabis and Ecstasy continued to increase in 2002, heroin has also strengthened its position on the market. Heroin is imported from the south, mostly from Afghanistan via Turkey. It transits to the Czech Republic via the Balkan Route, and then moves on to Northern and Western Europe. Czech authorities attribute most of the heroin smuggling activity to ethnic Albanian organized crime (OC) groups, some of which maintain warehouse operations in the Czech Republic. Vietnamese-, Arabic-, Russian-, and Czech-speaking OC groups provide distribution to local users.

Cocaine also reaches the Czech Republic, albeit mostly in transit to Northern and Western Europe. Use of cocaine in the Czech Republic is mainly restricted to the middle-and upper classes because the drug is expensive. It arrives in the Czech Republic most often with Czechs returning from visits abroad.

Along with Ecstasy, which is the favorite club drug, other Ecstasy-like drugs have begun to appear on the Czech market. One called PMA has caused several deaths. A liquid version of Ecstasy, probably produced in Poland, has also appeared, particularly along the Czech-Polish boarder. It is becoming popular due to its lower price and ease of concealment(a clear liquid, as opposed to more familiar ecstasy pills).

Pervitine is still produced in the Czech Republic, mainly by Czechs and primarily for local consumption. But Czech counternarcotics police believe Russian-speaking and Asian gangs now control more than a half of the pervitine market and are trying to gain control of the entire organization of pervitine production. The amount of exported pervitine going to neighboring countries (Germany, Poland, and Austria) has increased; according to the National Anti-Drug Center (NADC) 10-20 percent of total production is exported.

Toluene (a solvent) is still used for inhaling, mainly by poorer and younger segments of the population.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In November 2001, a report entitled “PAD—Project Analysis of the Results of the Amendment of Drug Legislation” was presented to the Czech Government. This project was requested and financed by the National Drug Commission, based on concerns that the Amended Drug Act was proving counterproductive. The report concluded that implementation of the new crime “possession of illicit drugs for personal usage” had not attained any of claimed benefits and was not cost effective. Although the director of NADC argued that the statistics on which the report was based were suspect, the Czech Government undertook an initiative to improve the law. As of 2003, illegal drugs will be divided into categories according to the danger they present to health and society. In addition, the Government

will pay greater attention to suppressing the supply of “hard drugs”—particularly heroin—and to ensuring that police at the regional and local levels will not be overloaded with other work. The Government plans to use the results of the project analysis for preparation of new amendments to the Czech Criminal Code and for revision of the penalties for drug-related crimes.

Since mid-2002, the Czech Republic has defined “spreading addiction” as a crime; those convicted of contributing to the spread of drugs through the media or Internet face up to five years in prison. Another Criminal Code amendment allows the confiscation and forfeiture of illegally acquired property. The amendment has already proved useful in the prosecution of drug cases.

The National Drug Commission is seeking an amendment to the Drug Act that would distinguish more between possession/use for trafficking and personal use of drugs (and would allow the application of alternative punishments for drug users). The Ministry of Health, Ministry of Labor and Social Affairs, and Ministry of Education appear to support such changes, but the Ministries of Interior and Justice have been hesitant to endorse the proposal.

A new law on the protection of witnesses came into effect during 2001. Although the Czechs expected this law would encourage witnesses to testify in court, and thus help the prosecution of drug cases, it appears that witnesses continue to avoid testifying in courts because of 1999 legislation under which an admission of drug possession could result in the witnesses’ prosecution. On January 1, 2002, an amended residence law came into effect, giving the authorities more options for expelling illegal aliens (including drug dealers and producers).

Rohypnol, used to prolong the effects of cocaine, used to be available without prescription in Czech pharmacies. By the middle of 2003, Rohypnol will be available only with a prescription.

Accomplishments. One of the most successful cross-border operations initiated in 2002 is operation “Crystal.” This working group consists of Czech and German police and customs representatives who fight cross-border pervitine trafficking between the Czech Republic and Germany.

Law Enforcement Efforts. Cooperation between NADC and the “Gains Group” of the Unit for Combating Financial Criminality and for State Protection (UFKOS) has been strengthened recently. The Gains Group was established in July, 2001, to track the flows of illicit profits, including those from drug trafficking, and to assist the NADC with investigations and assets forfeiture. In 2001, the Gains Group cooperated with NADC on seven cases that resulted in seized assets valued at 4.16 million CZK (approximately U.S. \$143,000). In 2002, they assisted with 25 cases and successfully seized assets totaling 26.64 mil CZK (approximately U.S. \$915,000). The Gains Group is slated to get additional specialists, increasing its current staff of 13 to roughly 40 experts in the near future.

In 2002 NADC had 74 operations in which the NADC policemen arrested 174 criminals. In total the NADC seized 6.07 kilograms of heroin, 1.67 kilograms of methamphetamine, 4.02 kilograms of cannabis, 1.49 kilograms of cocaine, 5.65 kilograms of Ecstasy and 23 kilograms of paracetamol and caffeine. They also discovered several warehouses, and laboratories, including mobile laboratories.

There were several very successful operations led by NADC policemen. In operation “Zebra” 13 gangsters from Germany, Czech Republic, Algeria and Tunisia were arrested after several years of investigation. This group distributed heroin to Germany (Bavaria) for at least five years. Operation “Synek” seized 10 kilograms of pervitine, and 26 Czech nationals were arrested, together with an organizer, a producer and a head of a distribution network. In cooperation with the Gains Group, some assets (e.g. cars in the value of 2.5 million kroner (apx. U.S. \$86,000) were forfeited. In operation “Jana Vali”, two important heroin traffickers were arrested.

Corruption. In 2002, eight police were investigated for narcotics-related corruption. Most of the accused policemen were found to be drug users themselves.

Agreements and Treaties. The Czech Republic is a party to the 1988 UN Drug Convention and the World Customs Organization’s Convention on Mutual Administrative Assistance for the Prevention,

Investigation and Repression of Customs Offenses. An extradition treaty and an MLAT are in force between the U.S. and the Czech Republic.

Cultivation/Production. Cannabis cultivation used to be primarily for personal use only. However, in 2002, the police found 14 illegal laboratories where the drugs were cultivated hydroponically; the THC content was very high (30 percent).

The Ministry of Agriculture monitors licit opium poppy cultivation for poppy seeds. Poppy seeds are exported or used in traditional Czech cooking. Total production in 2001 was 21,300 tons (in 2000 it was 15,700 and in 1999 it was 28,500 tons).

Pervitine production is essentially divided into two parts. One is a production in small home laboratories where all equipment and sources are provided by small groups of people grouped around the “cook” and the pervitine is for their personal use. The second kind is organized production, controlled mainly by Russian-speaking gangs and Asian gangs.

The main precursor for pervitine production is ephedrine (or, to a lesser extent, pseudo-ephedrine). Ephedrine, produced industrially in a factory not far from Prague, is diverted from licit pharmaceutical use, and used mainly for organized production, while small home laboratories tend to extract ephedrine from pills that are freely available or available with a medical prescription.

Drug Flow/Transit. Heroin, cocaine, and cannabis transit the Czech Republic, having arrived from the south (Turkey and the Balkans) and Southwest Asia. It moves toward Northern and Western Europe. Ecstasy and some other manufactured drugs move to the Czech Republic from the Netherlands and Germany, and then southward and eastward. As reported by NADC, the amount of drugs seized during 2002 was smaller than in past years. Individual drug shipments to the Czech Republic are smaller. Retail drug dealers are also more careful. Drugs are now rarely offered on streets, as dealers have moved to private flats and clubs, and Internet cafes: They work only with prepaid cell phones, they change phones often, and meetings, often arranged from Internet cafes, take only a few minutes.

Domestic Programs (Demand Reduction). According to a study done by the National Drug Commission, there were approximately 37,500 problem drug users in the Czech Republic in 2001: 15,000 heroin users; and 22,500 pervitine users. Lifetime prevalence of any drug use for people in the 15-64 age group was 16 percent (1,150,000 people), with an upward trend (mostly because of marijuana use). HIV infection rates among injecting drug users in the Czech Republic are declining and are now considered negligible. Although the level of injecting drug use is still relatively low, there is strong potential for spread of drug-related infectious diseases (such as HIV and hepatitis C) among injecting drug users, due to users' risky behavior. NDC reported 84 deaths in 2001 caused by drug overdoses. As reported by the NADC, the prevention, treatment and repression of illegal narcotics costs the Czech Republic at least 2.8 billion CZK per year (U.S. \$96.2 million). About 80 percent of the costs go to support the work of police, courts and prisons.

The Road Ahead. The United States will continue to cooperate closely with Czech officials. The USG expects to continue training programs aimed at improving Czech law enforcement, judicial, and anticorruption capabilities.

Denmark

I Summary

Denmark's strategic geographic location and status as Northern Europe's primary transportation point make it an attractive drug transit country. The Danes cooperate closely with their Scandinavian neighbors, the EU, and the USG against the transit of illicit drugs, and Denmark plays an increasingly important role in helping the Baltic States combat narcotics trafficking. While quantities of drugs seized in Denmark are relatively small, Danish authorities assume that their open border agreements and high volume of international trade allow some drug shipments to transit Denmark undetected. There have been substantial heroin seizures throughout the Scandinavian/Northern Baltic region. Authorities attribute the heroin trade's return to "normal" levels, after a short disruption, to traffickers' solution of logistical problems caused by U.S. military operations in Afghanistan. Denmark is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug traffickers utilize Denmark's excellent transportation network to bring illicit drugs to Denmark for domestic use and for transshipment to other Nordic countries. Evidence suggests that drugs from Russia, the Baltic countries, and central Europe pass through Denmark en route to other EU states and the U.S., although the amount flowing to the U.S. is relatively small. Seizures of all drugs except amphetamines this year are significantly higher than last year, although these statistics are only through June. Results for the first six months already exceed 2001 final figures in most categories. Serbian nationals have gained an important position in Denmark's heroin market at the expense of ethnic Albanians. Police authorities do not believe Denmark to be a significant factor in the diversion of precursor chemicals.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Within the past year, the Danish National Police completed a reorganization. As part of this administrative restructuring, the police unit responsible for counternarcotics activity received augmented powers to pursue national and international investigations. Added to these expanded powers, the counternarcotics unit also can employ a new 2002 law requiring that telecommunications companies provide information pertaining to drug-related crime.

Denmark continues to provide training, financing and coordination assistance to the three Baltic countries (Estonia, Latvia and Lithuania) principally to improve interdiction efforts. Denmark, Sweden and Norway have each stationed a Nordic liaison officer in one of the Baltic countries through their Nordic Police Customs Council Agreement (PTN Agreement). Denmark's officer is stationed in Lithuania.

Accomplishments. The aggressive counternarcotics efforts of Danish police have continued unabated in 2002 and, in view of higher seizure rates, may even have been increased in advance of Denmark's assuming the EU Presidency in the second half of this year. Denmark continues to effectively employ 1996 legislation making it easier to incarcerate drug dealers and expel foreign dealers who reside illegally in Denmark. The Nordic-Baltic PTN Agreement continues to be an effective law enforcement tool in combating drug trafficking in the region.

Danish authorities continue to view narcotics-related money laundering as a manageable problem despite Denmark's role as a major financial center. Danish law permits forfeiture and seizure of assets in drug-related criminal cases. Authorities strongly employ existing asset seizure and forfeiture law and cooperate with foreign authorities in such cases. No information is available regarding recent asset seizures.

There is little or no cultivation of organic raw materials for narcotics in Denmark, or significant commercial narcotics production. Isolated, small laboratories making MDMA and amphetamines are not widespread and police have a good record of finding these and shutting them down. Denmark is, therefore, neither a source of nor a destination for significant amounts of precursor chemicals.

Law Enforcement Efforts. The National Police's switchover to a new computer system has delayed the compilation of regional seizure data enough to impede comparison of 2002 statistics with those from last year. However, authorities report that seizures of all narcotics, except amphetamine, have increased this year. Through June seizures of heroin rose to 38.8 Kg from 24.6 Kg and hashish/marijuana from 653 Kg v. 224 Kg, while cocaine was at 4.5 Kg (compare to 4.7 Kg for all of 2001. Seizures of ecstasy, approximately 29 kilos in 2001 compared to 22.3 kilos through the first six months of 2002, place this year on track to exceed last year's seizure activity substantially. Last year's results were distorted by a single 25-Kilo-100,000 tablet seizure during a single airport bust. Amphetamine seizures of 16.4 kilos are down significantly from 92.3 kilos last year.

Unlike their experience of several large seizures last year, authorities report a greater number of smaller seizures this year in Denmark. Not yet logged in this year's cumulative statistics is a September 900 kilo marijuana seizure from a truck just south of Copenhagen. Danish customs at Kastrup Airport reported what is believed to be the first ever arrest/seizure of an individual attempting to smuggle drugs into Denmark by means of swallowing (500 grams of heroin).

Denmark continues to bolster the interdiction capabilities of the Baltic States. One of the bases of operation is the Baltic island of Bornholm, Denmark's easternmost territory, where a continuing project involving the customs services and police, in cooperation with the Danish Navy, works to interdict narcotics, other smuggled contraband, and illegal migrants.

Domestic distribution of narcotics previously associated with the two principal motorcycle gangs, the Hells Angels and the Bandidos, is being challenged by Albanian traffickers, who are themselves now under pressure from Serbian heroin smugglers. Danish authorities issued an ultimatum earlier this year to residents of the self-proclaimed "Free State of Christiania" (founded by 1970s-era squatters on an abandoned Copenhagen naval facility and allowed to develop as a grand social experiment), infamous for permitting the open sale of hashish/marijuana, to bring their behavior into strict compliance with the law within a year or have the police make a more concerted eradication effort than the sporadic "nuisance" raids of years past.

Corruption. The USG has no knowledge of any involvement by Danish government officials in drug production or sale, or in the laundering of their proceeds. Danish laws regarding public corruption in general are very stringent. There are no laws specifically targeting narcotics-related corruption.

Agreements and Treaties. Denmark complies with the requirements of all major international conventions and agreements regarding narcotics to which it is party. Denmark also contributes toward the development of common counternarcotics standards within the international organizations of which it is a member. Denmark ratified the 1988 UN Drug Convention in 1991. The USG has previously signed a Customs Mutual Assistance Agreement, a Mutual Legal Assistance Treaty, and an Extradition Treaty with Denmark. Denmark participates in the Dublin Group of Nations Providing Narcotics Assistance.

Cultivation/Production. There is no substantial narcotics cultivation or production in Denmark. What authorities believe to have been the only laboratory producing amphetamine and MDMA (Ecstasy) in quantity was shut down last year. Although MDMA production is increasing in the Nordic/Baltic region, Danish authorities report that only small production labs exist in Denmark and these are vigorously pursued, shut down, and their operators prosecuted.

Drug Flow/Transit. According to law enforcement officials in Denmark, drugs transit Denmark on their way to neighboring European nations and, in small quantities, on their way to the U.S. The ability of the Danish authorities to interdict this flow is slightly constrained by European Union open border policies. Continued international cooperation, including information sharing among EU members' national police

counterparts, has helped solve the open border problem by allowing better detection (at origin) and tracking (to destination) of attempted narcotic smuggling efforts.

Domestic Programs (Demand Reduction). Denmark's Ministry of Health estimates that there are approximately 14,000 "heavy narcotics abusers" (up from last year's estimate of 10,000-12,000 in Denmark), which includes only those people who are officially registered as addicts enrolled in government programs. Of this total, 5,500 are in methadone rehabilitation programs. The country maintains an extensive counternarcotics education program in schools and youth centers. This year saw continuation of the enhanced drug prevention intervention program begun in 2001 directed at the so-called "Rave" culture. Besides targeting traffickers in party settings, 2002 initiatives focus on increasing counseling and treatment services provided to young addicts.

Drug addicts are treated in a large number of institutions throughout Denmark. In addition to in-patient care at hospitals, outpatient care is available at hospitals, youth crisis centers, and special outpatient clinics. These programs are free of charge to Danish residents. Since 1996, the government has funded programs that involve the treatment of addicts through a medically supervised reduction program as an alternative to serving prison sentences. The debate on a proposal to permit doctors to supply some addicts with heroin continues, but support seems to be waning.

IV. U.S. Policy Initiatives and Programs

U.S. Goals. U.S. goals in Denmark are to serve as a liaison with the Danish authorities on drug-related issues, assist with joint investigations, and to coordinate USG counternarcotics activities with the eight countries of the Nordic-Baltic region.

Bilateral Cooperation. There is no bilateral narcotics agreement between the U.S. and Denmark. However, the USG enjoys excellent cooperation with its Danish counterparts on drug-related issues.

The Road Ahead. Danish authorities expect to reap the benefits of the restructuring of the National Police to combat more effectively the inherently international nature of the illicit narcotics trade. They will continue to pursue close cooperation with Nordic neighbors Norway and Sweden to interdict drug shipments. This means continued reliance on the PTN Agreement to increase information sharing and counternarcotics efforts. In addition, the recent accession to the EU of the Baltic States signals the impending weakening of international barriers when visa-free travel is fully implemented and concomitant increased opportunity for smuggling. The Danes will seek to expand their cooperative efforts to successfully meet the new smuggling threat. At the same time, the USG will continue its liaison with Danish authorities and work to deepen the regional cooperation against drug trafficking.

Finland

I. Summary

Finland is not a significant narcotics producing or trafficking country. However, drug abuse has increased steadily over the past decade, and drug-related crimes increased four-and-a-half fold from 1990 to 2000. For the first time in about a decade, drug seizures and arrests were down in 2002. Police attribute this to increased sophistication of drug traffickers and a lack of police manpower rather than to a reduction in drug use. The police attribute the increased drug use to the wider availability of narcotics in post-Cold War Europe, greater experimentation by Finnish youth, and a continuing gap between police resources and incidents of drug abuse. One alarming result of this increase was a significant rise in the number of drug-related deaths and HIV cases in the late 1990s, though both these trends slowed in 2001 and almost disappeared entirely in 2002. Effective controls on the Russian/Finnish border have prevented the overland route from developing into a trafficking conduit, though there is some drug trafficking over this border. The police remain concerned, however, about heroin and Ecstasy (MDMA) shipments arriving from the St. Petersburg area and the Baltic countries, respectively. Finland is a major donor to the UNODC, and is active in counternarcotics initiatives within the EU. Finland is a party to the 1988 UN Drug Convention.

II. Status of Country

Narcotics production, trafficking, cultivation, and production/diversion of precursor chemicals are relatively modest in scope in Finland. Finnish law enforcement authorities effectively counter the threat of trafficking from abroad. Estonia, Russia, Spain, and the Netherlands are Finland's principal sources of illicit drugs. Finnish legislation makes the distribution, sale, and transport of narcotic substances illegal, and provides for extradition, law enforcement, transit cooperation, and precursor chemical control. Domestic arrangements for treatment and drug abuse education are of an exceptionally high quality. In 2001 new legislation allowed the police to fine violators for possession of small amounts of narcotics; police implemented this legislation aggressively in 2002. Police issued approximately 5,000 such fines in 2002.

Finland has Europe's lowest cannabis-use rate, but amphetamine, methamphetamine, other synthetic drugs, and heroin are increasingly popular. Cocaine use is rare, but police believe it is on the increase. Ecstasy use is up significantly, and the police are also concerned about the use of gamma-hydroxybutyrate (GHB). The police admit that lack of manpower and restrictive Finnish laws on undercover work make penetrating the drug trade difficult. Police report a significant decrease in the purity of heroin imported to Finland since the conflict in Afghanistan began in late 2001. The purity of a number of seizures prior to this was as high as 75 percent; some recent seizures had purity as low as five percent.

Authorities suggest a link between the increase in use of heroin and its increased purity in past years and the sharp increase in the number of drug-related deaths beginning in the late 1990s. Drug deaths declined significantly in 2001 and 2002, in police view, confirming the lower quality of heroin available domestically. Indeed, the police report only one to two deaths from heroin overdoses this year. The percentage of new HIV cases related to drug use also declined in 2002.

Perhaps as a result of the difficulty of obtaining high-quality heroin—and the risk of overdose—some users are turning to Subutex (buprenorphine), which they obtain primarily from France. According to the police, French doctors can prescribe up to three weeks supply of Subutex. Finnish couriers travel frequently to France to obtain their supply, which they sell on the Finnish market with a high markup. Possession of Subutex is legal in Finland with a doctor's prescription. According to the Finnish police, there are about two dozen organized crime groups operating in Finland, some of which have connections

with organized crime groups in the Baltics and Russia. Many of these groups are facilitators and distributors of narcotics to the Finnish market. Police have expressed concern that the implementation of the EU's Schengen Agreement in Finland, which, as of March 2001, allows the free movement of people and cargo throughout most member states within the EU, might increasingly make Finland a transit country for drugs being trafficked by organized crime groups.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In late 1998, the Finnish government released a comprehensive policy statement on drugs. This statement clearly articulated Finland's policy on drugs: complete prohibition. It reminded citizens that all narcotics infractions, from casual use to manufacturing and trafficking, are crimes punishable under Finnish law. In September 2001, however, a new law took effect which implemented a system of fines rather than jail time for possession of small amounts of drugs. The police have expressed concern that this new law sends a bad message to Finns; law enforcement would prefer to send a strong deterrent message to the "demand" end.

Accomplishments. In late 2000, Parliament passed legislation that would increase the law enforcement community's ability to pursue criminals with additional investigative tools, including undercover investigations, and authorization to make controlled "buys." (Wiretapping was authorized in 1995.) The legislation went into effect in March 2001. There are still a number of restrictions on using these techniques, however. The Finnish Government has released its new drug strategy for 2003, which calls for additional emphasis on stemming the flow of drugs before they reach Finland's borders.

Law Enforcement Efforts. For the first time in about a decade, the police report a decline in arrests and seizures of drugs in 2002. Beginning in the mid-1980s, law enforcement authorities focused limited police resources on major narcotics cases and on significant traffickers, somewhat to the detriment of street-level patrols, investigations, and prosecutions. Police suggest the result of this focus was to reduce drug users' fear of arrest and to make "recreational" drug use more widespread. According to the police, the steady rise in drug use during the past decade led to a situation in which the number of drug offenders greatly exceeds the resources deployed to combat illegal drugs.

Corruption. There have been no arrests or prosecutions of public officials charged with corruption or related offenses linked to narcotics money in Finnish history.

Agreements and Treaties. Finland is party to the 1988 UN Drug Convention and its legislation is consistent with all the Convention's goals. Finnish judicial authorities are empowered to seize the assets, real and financial, of criminals. Finland is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. A 1976 bilateral extradition treaty with the U.S. is in force, though Finland will only extradite non-Finnish citizens to the United States. The United States has also concluded a customs mutual assistance agreement with Finland.

Finland makes an impressive international effort to combat drug trafficking and other organized crime. The Finnish police maintain 10 liaison officers in seven European cities (six in Russia, four elsewhere).

Cultivation/Production. During 2002, there were no seizures of indigenously cultivated opiates, no recorded diversions of precursor chemicals, and no detection of illicit amphetamine, cocaine, or LSD laboratories in Finland. Finland's climate and short growing season make natural cultivation of cannabis and opiates almost impossible. Local cannabis cultivation involves small numbers of plants in individual homes using artificial lighting. The distribution of the 22 key precursor chemicals used for cocaine, amphetamine, and heroin production is tightly controlled.

Drug Flow/Transit. Hashish is the drug most often seized by the Finnish police. Trafficking in highly purified methamphetamine from Estonia and Poland, Ecstasy from Estonia, and amphetamine from Lithuania is a continuing concern for Finland. According to the police, these drugs are generally manufactured in the Baltic region and elsewhere in Europe. Finnish authorities affirm that their land

border with Russia is well guarded on both sides to ensure that the border will not become a significant narcotics transit route.

Domestic Programs (Demand Reduction). The GOF takes the approach that demand reduction is best achieved by implementing an effective Nordic welfare policy, which calls for early and effective intervention before drug use becomes a problem. Though the Nordic welfare model tends toward centralization, the GOF gives substantial autonomy to local governments to address demand reduction using federal money. Finnish schools are required to educate children about the dangers of drugs. Though drug treatment is made available as much as possible, the Government acknowledges that it is not always available in certain parts of the country. Mandatory treatment for drug offenders is not commonly practiced. Replacement and maintenance treatment for heroin addicts using buprenorphine is relatively new in Finland.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The United States has pursued cooperation with Finland in a regional context, coordinating with Finland and the other Nordics assistance to the Baltic States. Bilateral cooperation between U.S. law enforcement agencies and their Finnish counterparts remains excellent.

The Road Ahead. The United States anticipates continued excellent cooperation with the Government of Finland in all areas of countering crime and narcotics trafficking.

France

I. Summary

France is a transshipment point for drugs moving in Europe. Given France's shared borders with trafficking conduits such as Spain, Italy and Belgium, and given France's proximity to North Africa, France is a natural distribution point for drugs moving towards North America from Europe and the Middle East, as well as drugs originating in South America moving towards Western Europe from Spain. France's own large domestic market is, of course, interesting to traffickers, and France's participation in the Europe-wide Schengen open border treaty, makes the traffickers task unavoidably easier. Specifically, ecstasy (MDMA) originating in the Netherlands and Belgium, heroin originating in southwest Asia, cocaine originating in South America, and cannabis originating in Morocco (source for 60 percent of cannabis in France) all find their way to France.

French officials are concerned at the continuing rise in the number of users of ecstasy and the large quantities of this synthetic drug that are entering France. Large-scale ecstasy production labs have not been detected in France so far, but important sources in Belgium and the Netherlands are close at hand. Ecstasy use is prevalent among high school/college age young people at rave parties, but also is easily obtainable in some night-clubs and bars. The use of crack cocaine is negligible in France. The use of cannabis (primarily hashish) continues to rise, particularly among young people, making it the most widely used illegal drug in France. Like other European countries, France is increasingly facing the problem of multiple drug use and addiction. France is a party to the 1988 UN Drug Convention.

II. Status of Country

According to French authorities, French young people are turning to synthetic drugs at alarming levels. Over the last six years, cannabis seizures have tripled and the quantities of powder cocaine being seized are also rising. In 2001, cannabis seizures increased by 300 percent, cocaine and heroin seizures stabilized, while ecstasy seizures increased exponentially. Cannabis and ecstasy continue to be the most widely abused illegal drugs in France. A compilation of statistics published in 2002 by the French Observatory for Drugs and Drug Addiction recapitulates the total amount of drug-related arrests between 1990-2000; it is an interesting barometer of drug abuse in France. Roughly 90,000 narcotics-related arrests were made in the ten year period with the following break-down:

III. Country Actions Against Drugs in 2002

France's drug control agency, MILDT ("La Mission Interministerielle de Lutte Contre la Drogue et la Toxicomanie" or The Interministerial Mission for the Struggle Against Drugs and Drug Addiction), is the focal point for French national drug control policy. MILDT coordinates among the many ministries that have a role in establishing, implementing, and enforcing France's domestic drug control strategy. The French also participate in regional cooperation programs initiated and sponsored by the EU. France has been focusing on the relationship between narcotics abuse and death on highways. Since October 2001, a systematic drug testing initiative, jointly sponsored by the Ministry of Health and the Ministry of Transportation, has been carried out in cases involving deadly road accidents. After a period of two years ending October 2003, a full review will take place before "driving under the influence of narcotics" punitive measures are implemented.

Accomplishments. French law enforcement officials seize large quantities of narcotics destined for the French domestic market, or transiting France to markets elsewhere.

Law Enforcement Efforts. French counternarcotics authorities are efficient and effective. In 2002, French authorities made notable seizures of narcotics. In addition, they dismantled several drug rings across France.

In January the French customs authorities in Montpellier seized 40 kilo (kilograms) of heroin. 15,600 tablets of ecstasy were intercepted near the Belgian border. In February, 400 kilograms of cocaine were seized offshore in Vendee as it was being offloaded from a speedboat. A money-laundering ring was also broken up in the Paris suburb of Nanterre. French authorities suspected this ring of laundering at least 1 million Euros (about 1 million dollars) from cannabis trafficking originating in Morocco. Similar incidents occurred throughout the year, for example: 30 kilograms of various drugs were intercepted in Cannes on the French Riviera, in April, a Gabonese diplomat was stopped with 29 kilograms of cocaine as he was attempting to board the London-bound Eurostar train. Aided by sniffer dogs, police at Charles De Gaulle airport found 16 kilograms of cocaine hidden in a passenger's suitcase full of presents. In June, five tons of cocaine were intercepted on a boat off the French coast and a further 23 kilograms seized in Cayenne, French Guiana. The "Winner" boat was interdicted on the high seas off the coast of Africa by the French military. More than 80 kilograms of cocaine were seized but as much as 2-3 tons were thrown overboard. French law enforcement continued their vigilant efforts and met with similar notable successes throughout 2002.

Corruption. Narcotics-related corruption among French public officials is not a problem. The USG is not aware of any involvement by senior officials in the production or distribution of drugs or in the laundering of drug proceeds.

Agreements and Treaties. France is a party to the 1988 UN Drug Convention, and the other UN drug conventions. The USG and the GOF have narcotics-related agreements, including a 1971 agreement on coordinating action against illegal trafficking. In 1996, the U.S. and France signed a new extradition treaty to replace the 1911 treaty and 1970 supplementary treaty then still in effect. The U.S. Senate ratified the new treaty in 1998, and the French Senate did so in 2001. The treaty went into force in 2002. A new Mutual Legal Assistance Treaty (MLAT) entered into force in 2001. The U.S. also has a Customs Mutual Assistance Agreement (CMAA) with the GOF.

Cultivation/Production. French authorities believe the cultivation and production of illicit drugs is not a problem in France. France cultivates opium poppies under strict legal controls for medical use, and produces amphetamines as pharmaceuticals. It reports its production of both products to the International Narcotics Control Board (INCB) and cooperates with the U.S. Drug Enforcement Administration (DEA) to monitor and control those products.

Drug Flow/Transit. France is a transshipment point for illicit drugs to other European countries. Most of the heroin consumed in, or transiting France originates in southwest Asia (Afghanistan) and enters France via the Balkans after passing through Iran and Turkey. New routes for transporting heroin from southwest Asia to Europe are developing through central Asia and Russia. West African drug traffickers (mostly Nigerian) are also using France as a transshipment point for heroin and cocaine. These traffickers move heroin from both southwest Asia (primarily Afghanistan) and Southeast Asia (primarily Burma) to the U.S. through West Africa and France, with a back-haul of cocaine from South America to France through the U.S. and West Africa. Law enforcement officials believe these West African traffickers are stockpiling heroin and cocaine in Africa before shipping it to final destinations. France is also a transit point for Moroccan cannabis (hashish) destined for European markets, and for South American cocaine destined for Europe. There is no evidence that heroin or cocaine entering the U.S. from France is in an amount sufficient to have a significant effect on the U.S. Most of the South American cocaine entering France comes through Spain and Portugal. Most of the ecstasy in France or transiting France is produced in the Netherlands and Belgium.

Domestic Programs/Demand Reduction. MILDT is responsible for coordinating France's demand reduction programs. Drug education efforts target government officials, counselors, teachers, and medical personnel, with the objective of giving these opinion leaders the information they need to assist those

endangered by drug abuse in the community. The GOF is continuing its experimental methadone treatment program. Although there continues to be public debate concerning decriminalizing cannabis use, the GOF is opposed to any change in the 1970 drug law that criminalizes all use of illicit substances, including cannabis.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. and GOF counternarcotics law enforcement cooperation remains excellent, with a confirmed practice of information sharing. Recent examples of this strong U.S./French cooperation are the “Winner” ship seizure, and the exchange of information concerning ecstasy labs in the U.S. The Winner ship was intercepted on the high seas by the French military as a result of U.S. information, and a request by U.S. authorities to act urgently. Although only about 80 kilograms of cocaine were seized, an estimated 2 to 3 more tons were thrown overboard just before or as the French military stormed the boat. As a result of solid French intelligence, two ecstasy labs in the United States were closed. Very strong cooperation continues between the U.S. and France in several other cases still underway.

The Road Ahead. The U.S. will continue its cooperation with France on all counternarcotics fronts, including through multilateral efforts such as the Dublin Group of Countries Coordinating Narcotics Assistance and UNODC.

Georgia

I. Summary

Georgia remains a secondary transit route for narcotics flowing from Afghanistan, transiting Central Asia to Europe. The potential for Georgia to become an important narcotics transit route in the future is heightened by the lack of control the government exercises over some of its borders and territory. Despite recent efforts at reform and personnel changes, law enforcement agencies remain overstuffed, under-equipped, poorly paid, and have a reputation for corruption. In response to Government of Georgia (GOG) requests, the United States Government (USG) continues to provide training and equipment for the border guards and customs officials. Georgia is a party to the 1988 UN Drug Convention and is also receiving assistance from the UN Office of Drug Control and Crime Prevention (UNODC).

II. Status of Country

Georgia is believed to be a secondary transit route for heroin smuggled from Afghanistan to Europe. Afghan morphine base destined for Turkey is also presumed to transit Georgia. Given Georgia's geographic location and its ambition to be a key element in a future overland trade corridor between Europe and Asia there is a possibility it could also emerge as a major drug trafficking route. No reliable statistics on the current domestic or transit drug traffic in Georgia exist.

Additional trafficking to Georgia from Russia through South Ossetia and from Azerbaijan is believed to feed the domestic Georgian drug market. It was previously believed that these drugs were repackaged in the Pankisi Valley. Georgian law enforcement operations in Pankisi during 2002 are believed to have diverted drug flow through Pankisi to other neighboring areas of the country without reducing the flow of drugs. While involvement in drug trafficking by Georgian nationals remains limited; cigarette, fuel and alcohol smuggling are major illegal activities in Georgia. Interdiction efforts are hampered by Georgia's lack of control of all its territory and its borders, some of which are under separatist control. Border Guards and Customs officials are poorly paid and, despite recent efforts at reform, Customs remains liable to corruption.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Counternarcotics efforts are coordinated under an inter-agency group chaired by the Ministry of Interior (MOI) with the Ministry of State Security (MSS) as deputy chair. The interagency group did not undertake any significant counternarcotics policy initiatives in 2002, in large part due to the lead agencies being fully tasked for other priorities involving Georgian national security.

Law Enforcement Efforts. Drug seizures and arrests rose by a modest amount from 2001 to 2002. Despite a growing awareness of the dangers of increased narcotics transiting Georgia, all of the relevant law enforcement agencies in Georgia suffer from a lack of financial resources. Their personnel are under-equipped and poorly trained. Command lines are vague both between and within these organizations. The number of criminal drug cases opened during 2002 was 1855, vs. 1783 cases opened in 2001. This represents a sustained growth rate in criminal cases over the past two years. An additional 1,464 drug cases were resolved through administrative fines. These cases were predominantly concerning possession or use of small quantities of drugs or those using controlled drugs without a doctor's prescription.

Corruption. Corruption has been the most significant problem within Georgia's law enforcement agencies. Georgia's anticorruption efforts continue to be hampered by the widespread tolerance of corruption within Georgian society. During 2001 the GoG formed a commission to reform its law enforcement agencies. A plan for change within the law enforcement ministries was prepared during 2002

and forwarded to the Georgian National Security Council, however, no significant changes occurred during that year. In any case, none of these proposed measures would have responded to the underlying low wages of officials and poor example from those in charge that nourish wide-scale low level corruption.

Agreements and Treaties. The GOG has no counternarcotics agreements with the United States. Georgia has been a party to the 1988 UN Drug Convention since January 1998.

Cultivation and Production. Estimates by the GOG on the extent of narcotics cultivation in Georgia are unreliable and do not include those areas of the country outside the central government's control. Given the small amount of low-grade cannabis grown mainly in the foothills of the Caucasus Mountains, largely for domestic use, Georgia is not demonstrably a significant producer of narcotics. Approximately 112.5 tons of cannabis was reported as seized and destroyed in Georgia during 2002. There is no other known narcotics crop or synthetic drug production in Georgia. Although Georgia has the technical potential to produce precursor chemicals, it has no known capacity for presently producing significant quantities.

Drug Flow/Transit. The Government has no reliable statistics on the volume of drugs transiting Georgia. The Ministry of Internal Affairs (MOIA) has previously reported that 95 percent of illegal drugs that enter Georgia are for non-Georgian consumption. Prices for drugs in Georgia are currently estimated at wholesale price of U.S. \$200-\$300 for 1 gram of heroin with an end user price of U.S. \$500-600. The current street price of opium is estimated at U.S. \$15 per gram, as opposed to U.S. \$50-\$80 per gram a year ago. This indicates a relatively constant price for heroin over the past two years and a steadily decreasing price for opium.

Demand Reduction. An averaging of the number of registered drug addicts reported by independent and official sources would indicate that there were at least 60,000 drug users in Georgia during 2002. The increase in cannabis confiscation figures from 2002 to 2000, vs. a reduction in confiscation of heroin and opium from the year 2000, could indicate an increasing emphasis on cannabis by Georgian users. The national program prepared by the MOIA's counternarcotics unit is comprehensive; however, program implementation has been constrained due to a lack of resources and corruption within the Georgian system. Besides law enforcement activities, the Government's strategy involves the treatment of addicts and the education of young people as keys to the long-term reduction of domestic drug use.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG dedicated U.S. \$17 million in fiscal year 2002 to the Georgian Law Enforcement Assistance and Border Security program. This program has assisted the GOG in developing the capabilities of its border guards and customs service. U.S. officials also distributed approximately 50 field drug test kits to elements of the Ministry of Internal Affairs and State Security for use in enforcement operations, however, no other training or assistance programs are currently planned.

The Road Ahead. Corruption in Georgian law enforcement agencies makes it unlikely that counternarcotics efforts will become effective in the near future. The best way to assist Georgia's law enforcement efforts is focused training and technical assistance from the U.S. and the international community on a few high-priority, achievable objectives. Any assistance to Georgian law enforcement, including counternarcotics, must include provision for anticorruption reform, and must be closely monitored for progress.

Germany

I. Summary

Although not a major drug producing country, Germany continues to be a consumer and transit country for narcotics. Cannabis and ecstasy consumption continues to be relatively high, especially in the states of the former East Germany. The most recent official data of the Federal Criminal Police Office (Bundeskriminalamt/BKA) of September 2002 indicate three trends. First, narcotics-related deaths declined in the first half of 2002 by almost 30 percent compared to the previous year. Second, first time heroin and ecstasy consumption decreased by 25 percent compared to August 2001. Third, the amount of ecstasy pills confiscated doubled. Almost 90 percent of the ecstasy seized was produced in the Netherlands, of which 80 percent was destined for Canada, the United States and Australia. Led by the Ministry of Health, the German federal government in 2002 developed a proposal for a new action plan to combat narcotics that would create a new comprehensive strategy and supersede the 1990 national plan. The product of an inter-agency effort, the plan should be finalized by 2003. Germany is a party to the 1988 UN Drug Convention.

II. Status of Country

Germany is not a cultivation or production country. However, Germany's location at the center of Europe and its well-developed infrastructure make it a major transit hub. Cocaine and ecstasy transit through Germany from the Netherlands to Scandinavia, East and Southern Europe; heroin transits Germany from Eastern to Western Europe. In 2002, 80 percent of ecstasy seizures in Germany were destined for third countries, namely, Canada, the U.S. and Australia. Organized crime is very involved in drug trafficking. Germany continues to be a leading manufacturer of pharmaceuticals, making it a potential source for precursor chemicals used in the production of illicit drugs.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The Health Ministry introduced a proposal for a new "Action Plan on Drugs and Addiction" in June 2002 to replace the outdated 1990 "National Plan to Combat Narcotics". This new proposal would target new risk groups (e.g. immigrants), and respond to abuse trends in the states of the former East Germany. The plan is expected to be finalized in early 2003. Implemented in coordination with the states and other Government agencies, the new plan will outline a comprehensive strategy to combat narcotics, focusing on research and international cooperation, with emphasis on prevention and early diagnosis. A National Drug and Addiction Council will review implementation of the plan.

The Drug Commissioner at the Federal Health Ministry continues to coordinate drug policy. Key components of the government's drug policy continue to be prevention, therapy and counseling, and interdiction and supply reduction. The following 2002 initiatives are also in line with Germany's key policy pillars:

- Drug Consumption Rooms: Operated by state governments, the Health Ministry views "drug consumption rooms" as one solution to promoting survival and stabilizing the health of drug addicts, while simultaneously facilitating treatment.
- According to a 2002 Health Ministry study, drug consumption rooms contribute to reducing drug related deaths. The numbers of drug consumption rooms have increased over the last year to 21 rooms in nine cities. The federal government implemented legislation in 2000 allowing the states to pass corresponding regulations to establish drug consumption rooms.

- **Substitution Based Treatment:** Substitution-based treatment has been expanded and improved in 2002. About half of the estimated 120,000 opiate addicts are treated with methadone substitutes. New binding regulations adopted in October 2002 facilitate access to substitution-based treatment and improve the quality of such treatments (e.g., special licenses for medical doctors, central anonymous registers). In March 2002, the first heroin based treatment pilot project commenced offering assistance to seriously ill, long-term opiate addicts. This project is also being conducted as a medical study.
- **Research:** In order to promote research on drug addiction and on therapy, the first Berlin Brandenburg Academy on Addiction was founded in October 2002. It is unique in Germany, since universities and clinics have not traditionally established separate centers for advanced training for addiction treatment.

Law Enforcement Efforts. German law enforcement agencies, often working with other countries, scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers. For example, the BKA seized 1 million ecstasy pills coming from the Netherlands and bound for Australia. This was one of the largest ecstasy seizures to date in Germany. Working with the Dutch police, the BKA also broke up an international trafficking ring of German/Turkish drug dealers, who were arrested for smuggling heroin from the Netherlands to Germany. In another joint operation with the Spanish police, almost 300 kilograms of cocaine were seized in the Canary Islands in August. Spanish police also arrested and extradited a Colombian drug dealer to Germany on the basis of a German arrest warrant.

Corruption. Neither the government nor senior officials encourage or facilitate the production or distribution of illicit drugs. No cases of drug-related corruption have come to the USG's attention.

Agreements and Treaties. A 1978 extradition treaty and supplement is in force between the U.S. and Germany. Negotiations for a mutual legal assistance treaty (MLAT) between the U.S. and Germany are expected to resume in 2003. There is a customs mutual legal assistance agreement (CMAA) in force between the U.S. and Germany. Germany is party to the 1988 UN Drug Convention. Germany signed the UN Convention Against Transnational Organized Crime and its protocols in December 2000, but ratification is still pending.

Cultivation and Production. Germany is not a country of major hashish/marijuana cultivation or significant production. Although there have been reports of synthetic drug labs operating in Germany (ecstasy and amphetamine), production remains minimal.

Drug Flow/Transit. Germany's central location in Europe and its well-developed infrastructure make it a major transit hub. Traditionally, cocaine and ecstasy transit through Germany eastward and northwards, i.e., from Western Europe to Scandinavia, East and Southern Europe. Heroin transits from Eastern Europe to Western Europe. In 2002, 80 percent of the 2002 Ecstasy seizures in Germany were destined for other countries, namely Canada, the U.S. and Australia. Source countries for drugs seized in Germany continue to be Colombia and the Netherlands. In Germany, the primary source of drugs remain Colombia (cocaine and marijuana), North Africa (hashish), Southwest Asia and Turkey (heroin), and the Netherlands (ecstasy). Other synthetic stimulants, such as amphetamines, are often trafficked from Poland and the Baltic countries.

Domestic Programs/Demand Reduction. The Federal Ministry of Health continues to be the lead agency in developing, coordinating, and implementing Germany's drug policies and programs. Drug consumption is treated as a health and social issue. Education is the key preventive measure for Germany. Internet based information and other education programs continue to be developed and expanded. In response to the growing number of drug related deaths among young immigrants, special programs were developed to educate these groups in 2002. DEA participates in outreach programs at local schools, youth organizations, and youth and professional sports clubs.

Drug treatment programs continue to focus on substitution. In 2002, new regulations improved treatment standards and laid the foundation to expand treatment to reach more addicts. About half of the estimated

120,000 opiate addicts are treated with methadone substitutes. About ten thousand opiate addicts went through a drug free treatment program.

In October 2002, the Federal Committee of Medical Doctors introduced new binding regulations for evaluating substitution-based treatment that facilitate access to such treatment and increase the quality of these programs. The Health Ministry has long advocated these changes and fully supports their implementation as vital for survival assistance and rehabilitating addicts. Previous regulations required a secondary disease, such as HIV, for health insurance coverage of substitution-based treatment. The new regulations have removed this precondition. In addition, the first heroin-based treatment pilot project started to offer assistance to seriously ill, long-term opiate addicts in March 2002.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. German law enforcement agencies work closely and effectively with their U.S. counterparts in narcotics related cases. Close cooperation to curb money laundering continues between DEA, the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), and the U.S. Customs Service, and their German counterparts. German agencies routinely cooperate with their U.S. counterparts in joint investigations. German U.S. cooperation has led to effective programs (Operation “Purple” and “Topaz”) designed to stop diversion of chemical precursors for cocaine production. A DEA liaison officer is assigned to the BKA headquarters in Wiesbaden to facilitate cooperation and joint investigations. Two DEA offices, the Berlin Country Office and the Frankfurt Resident Office, facilitate information exchanges and operational support between German and U.S. drug enforcement agencies.

Road Ahead. The U.S. will continue its cooperation with Germany on all bilateral and international counternarcotics fronts, including the Dublin Group of Countries Coordinating Narcotics Assistance and the UNODC. Completion of an MLAT remains a priority for both the U.S. and Germany and would further improve law enforcement cooperation.

Greece

I. Summary

Greece is a “gateway” country in the transit of illicit drugs. Although Greece is not a major transit country for drugs moving to the United States, it does serve as a major transit point for drugs flowing into Western Europe. Greek authorities report that drug abuse and addiction continue to climb in Greece as the age for first-time use drops. Greece also has the second highest annual per capita rate of deaths from drug overdoses in Europe.

Drug trafficking remains a significant issue for Greece in its battle against organized crime. Investigations initiated by the DEA and its Hellenic counterparts suggest that a dramatic rise has occurred in the number and size of drug trafficking organizations operating in Greece. U.S. authorities report an excellent working relationship with Greek law enforcement agencies. The Government of Greece (GOG) is an active member of international anti-money laundering organizations such as the Financial Action Task Force (FATF) and counternarcotics groups such as the Dublin Group of Countries Coordinating Counternarcotics Assistance. Greece is a party to the 1988 UN Drug Convention.

II. Status of Country

With its extensive coastline border, numerous islands, and borders with other countries through which drugs are transported, Greece’s geography plays an important role in establishing Greece as a favored drug transshipment route to Western Europe. Greece was the first country in the Balkan region to have membership in the EU. Greece is also home to the world’s largest merchant marine fleet.

Greece is not a significant source country for illicit drug production, though shipment of anabolic steroids to the United States does occur on a small scale. (Use of anabolic steroids is legal in Greece. However, it is illegal to ship them to countries where they are a controlled substance.)

III. Country Actions Against Drugs in 2002

Policy Initiatives. Greece participates in the Southeast European Cooperative Initiative’s (SECI) anticrime initiative, in the work of the regional Anti-crime Center in Bucharest and in its specialized task force on counternarcotics. Enhanced cooperation among SECI member states has the potential to disrupt and eliminate the ability of drug trafficking organizations to operate in the region.

Accomplishments. The Greek Parliament passed legislation in 2001 which ensures that a convicted drug trafficker will serve 4/5 of the sentence imposed by a court in a criminal trial before he qualifies for release. This legislation tightens loopholes in the Greek justice system, which previously allowed drug offenders to be released after serving little more than half their sentences. The Greek Parliament also passed legislation in 2001 with a good definition of criminal organizations that allows courts to impose 10 year sentences to drug dealers convicted of being members of criminal networks.

Law Enforcement Efforts. The Central Narcotics Council, composed of representatives from the Ministries of Public Order, Finance, and Merchant Marine, coordinates Greece’s drug enforcement activities. Cooperation between U.S. and Greek law enforcement officials is exceptionally close and professional; the GOG pursues U.S. requests for legal assistance aggressively.

Several notable drug seizures and arrests have occurred or been reported publicly since the 2001 INCSR. In June 2002, French authorities, working with Greek authorities and DEA, boarded a Greek ship that was attempting to smuggle 2 tons of cocaine to Latin America. Police arrested 18 individuals, including 4 Greek nationals.

In spring 2002 Greek authorities dismantled an operation to smuggle cocaine and hashish from Central America to Europe, seizing 220 kilograms of cocaine and 702 kilograms of hashish. The operation resulted in the arrest of five Greek nationals; more arrests are pending.

The counternarcotics unit of the Greek police does not have its own budget. As a result, police equipment is often outdated and training is infrequent, but this situation improved during 2002.

Corruption. Officers and representatives of Greece's law enforcement agencies are generally under-trained, underpaid, under-appreciated, and overworked. Although this atmosphere has the potential to breed corruption, the level of corruption in the law enforcement agencies is relatively low with regard to narcotics and narcotics-related money laundering. As a matter of government policy, Greece does not encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances. Greece also does not encourage or facilitate the laundering of proceeds from illegal drug transactions. No known senior official of the GOG engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Greece is a party to the 1988 UN Drug Convention and meets the Convention's goals and objectives. Greece has passed implementing legislation for controlling essential and precursor chemicals. Greece is also a party to the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1972 Protocol amending the Single Convention on Narcotic Drugs. An agreement between the GOG and the United States to exchange information on narcotics trafficking has been in force since 1928, and an extradition treaty has been in force since 1932. A mutual legal assistance treaty (MLAT) between the United States and Greece entered into force in November 2001. A Police Cooperation Memorandum, signed in September 2000, enhances operational police cooperation between the United States and Greece. The United States and Greece also have concluded a customs mutual assistance agreement (CMAA). Greece has signed the UN Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants.

Cultivation/Production. Cannabis, cultivated in small amounts for local consumption, is the only illicit drug produced in Greece.

Drug Flow/Transit. Greece is a major transshipment route to Western Europe for heroin from Turkey, hashish from the Middle East, and heroin and marijuana from Southwest Asia. Metric ton quantities of marijuana and smaller quantities of other drugs are smuggled across the borders from Albania, Bulgaria, and the Former Yugoslav Republic of Macedonia (FYROM). Marijuana has been smuggled into Greece on pack mules across the mountainous border with Albania. Hashish is off-loaded in remote areas of the country and transported to Western Europe by boat or overland. Larger shipments are smuggled into Greece in shipping containers, on bonded "TIR" trucks, in automobiles, on trains, and in buses. Such trucks typically enter Greece via Turkish border crossings, then cross the Adriatic by ferry to Italy. A small portion of these drugs is smuggled into the United States, including Turkish-refined heroin that is traded for Latin American cocaine, but there is no evidence that narcotics entering the United States from Greece are in an amount sufficient to have a significant effect on the United States. Nigerian drug organizations smuggle heroin and cocaine through the Athens airport, and increasingly through the Aegean islands from Turkey. Cocaine also transits through Greece to other parts of Europe.

Domestic Programs (Demand Reduction). Drug addiction continues to climb in Greece. The most commonly abused substances are chemical solvents and marijuana. There is a surge in the use of ecstasy that reflects the growing European synthetic drug market. The GOG estimates that there are 22,000 addicts in Greece, with the addict population growing. OKANA is the state agency that coordinates all national counternarcotics policy in Greece. It heads demand reduction efforts, develops and administers information and prevention programs, runs treatment centers for substance abusers, and coordinates with other agencies involved in narcotics treatment and prevention. The organization is under-funded and understaffed, and the few existing clinics are insufficient to treat all of Greece's addict population.

OKANA is currently treating 1,146 addicts in six methadone treatment centers, while 2,500 addicts remain on the waiting list for admission. OKANA launched a buprenorphine pilot substitution project in 2001 and has plans to extend it in major public hospitals in the future.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The DEA has a close working relationship with representatives of the Greek Coast Guard, the Hellenic National Police, the Customs Office, the Financial Crimes Enforcement Unit (SDOE) of the Ministry of Finance, and INTERPOL. The economic section of the U.S. Embassy in Athens maintains regular contact with SDOE. The Embassy's office for public diplomacy regularly distributes literature on drug prevention and periodically arranges background briefings with DEA officers for local journalists and general informational seminars. DEA officials are frequent speakers at local schools. The Ambassador also sponsors counternarcotics outreach programs in the community and area schools, which encourage children and young adults not to use drugs.

The Road Ahead. The United States will encourage the GOG to continue to participate actively in international organizations such as the Dublin Group of Countries Coordinating Counternarcotics Assistance. The GOG has stated that one of the priorities for its 2003 EU presidency will be the Balkans, including measures to interdict narcotics trafficking in the region. The DEA will continue to organize conferences, seminars, and workshops with the goal of building regional cooperation and coordination.

Hungary

I. Summary

Hungary is an important transit country for illegal narcotics from Southwest Asia to Western Europe. The country has changed in the past ten years from being just a transit country for drug traffickers into being a consumption country as well. According to the Hungarian National Police there are an estimated 200,000 drug users in Hungary. Drug abuse shot up in the 90's, and is still increasing, but at a much slower pace. The drugs of choice in Hungary are heroin, marijuana, amphetamine, and ecstasy. Anti-drug legislation passed in late 1998 that went into effect in early 1999 introducing stiff penalties for using and/or selling narcotics has slowed down the growth in drug abuse, but not completely halted it. An amendment to the 1998 legislation presently under discussion would provide greater emphasis on treatment programs, grant judges more flexibility in sentencing, and allow police/prosecutors to differentiate between large scale and small scale drug offenses. At present, drug traffickers may be punished with life imprisonment. Hungary is a party to the 1988 UN Convention; the USG and GOH have a mutual legal assistance treaty (MLAT) and an extradition treaty in force since 1997. A data-sharing memorandum of understanding to further improve U.S.-Hungarian law enforcement cooperation was concluded in January 2000.

II. Status of Country

Hungary continues to be used as a major transit country for illegal narcotics smuggled from Southwest Asia and the Balkans to Western Europe. Hungarian authorities report that narcotic smuggling is especially active across the Romanian and Yugoslav borders. The Hungarian National Police (HNP) reported a significant increase in the amount of cocaine confiscated in 2002 due to a single large seizure. A steady decline in the amount of heroin seized over the last nine years apparently resulted from a change in the heroin trafficking routes. The most popular narcotic among drug users in Hungary is marijuana, followed by amphetamines heroin, and ecstasy.

A key element of the national drug strategy is the creation of the National Drug Prevention Institute (NDPI). The NDPI provides financial and technical support to combat drug abuse to Hungary's outlying regions with populations over 20,000. The NDPI encourages the creation of regional forums composed of local government institutions, law enforcement agencies, schools and non-governmental organizations. These forums then create drug strategies, formulated for their specific regions. Out of 64 regions with populations of over 20,000, 56 have thus far established counternarcotics forums to discuss strategies. As of December 2002 many cities in these regions had also developed their own drug strategies.

III. Country Actions Against Drugs in 2002

Hungarian drug law contains some anomalous provisions, for example, all drug consumers in Hungary, including casual users, are subject to criminal penalties, but addicts may be exempted from prosecution. Hungarian civil rights leaders claim that this provision, among the toughest on users in Europe, is misguided. An amendment to existing counternarcotics legislation, which is expected to go into effect in early 2003, is designed to respond to some of these criticisms. The amendment encourages police/prosecutors/ judges to place drug users in government funded treatment or counseling programs instead of prison. Drug addicts will be encouraged to attend treatment centers while casual users will be directed towards prevention and education programs. The amendment also provides judges with more alternatives and flexibility when sentencing drug users.

Law Enforcement Efforts. Hungarian and Austrian border authorities continue joint cross-border counternarcotics investigation efforts begun in 1998. GOH officials continue to participate in international law enforcement training efforts, particularly through the Budapest-based International Law

Enforcement Academy (ILEA). Eastern Hungary has seen initial steps toward joint border control efforts with Romanian and Ukrainian counterparts, while modern electronic detection equipment provided by the European Union for certain high threat border posts will hopefully improve border interdiction of all types of contraband.

Corruption. The USG is not aware of systematic corruption in Hungary that facilitates narcotics trafficking. The Hungarian Government enforces its laws against corruption aggressively, and takes administrative steps (e.g., re-posting of border guards) to reduce the temptation for corruption whenever it can.

Agreements and Treaties. Hungary is party to the 1961 UN Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 Drug Convention. A treaty on mutual legal assistance and an extradition treaty between the U.S. and Hungary entered into force in 1997. A bilateral data-sharing memorandum of understanding was signed in January 2000. This agreement paved the way for even closer cooperation between U.S. and Hungarian law enforcement agencies.

Illicit Cultivation. GOH authorities claim that marijuana (mostly cultivated in Western Hungary), ecstasy and LSD are locally produced; all other illegal narcotics are imported into Hungary.

Drug Flow/Transit. The Hungarian government believes that primarily foreign groups control transit and sale of narcotics in Hungary, particularly nationals of Albania, Turkey and Nigeria. Many of these traffickers have been resident in Hungary for many years. Ferihegy International Airport in Budapest is becoming an increasingly important stop for the transit of cocaine from South America to Europe. Synthetic drugs are transported into Hungary, usually by car, from the Netherlands and other Western European Countries.

Demand Reduction. Hungarian officials continue to report the increasing seriousness of their domestic drug problem, particularly among teens and those in their twenties who have benefited from the country's strong, if unequal, economic performance. In response to this growing problem, the GOH adopted a national drug strategy on December 5, 2000. The strategy expanded prevention programs. Prevention programs in Hungary were influenced by a USG-financed pilot project to train teachers to identify and counsel students using drugs. Hungarian prevention has focused on the teen/twenties age group delivering more complete information about the dangers of drug use, while emphasizing more productive lifestyles as a way of limiting exposure to drugs and a desire to experiment with them. National drug treatment capabilities have also been expanded.

Although the national drug strategy called for 17 billion HUF (roughly U.S. \$56 million) to be used to implement the plan over a three year period, only HUF 5 billion was actually allotted. The government provided 1.5 billion HUF in 2002 and approximately 2.5 billion HUF was budgeted for 2003. As part of the national drug strategy more than one-third of Hungary's junior high and high schools received drug prevention programs in 2001.

IV. U.S. Policy Initiatives and Programs

The USG focuses its support for GOH counternarcotics efforts on training and cooperation through the ILEA and a small bilateral program developed especially for Hungary by the U.S. Embassy in Budapest. DEA maintains a regional office in Vienna that is accredited to Hungary and works with local and national authorities.

The Road Ahead. The USG supports Hungarian legislative efforts to stiffen criminal penalties for drug offenses, and will continue to support the GOH through training at ILEA and in country programs.

Iceland

I. Summary

Few illegal drugs are produced in Iceland. The exceptions are small amounts of marijuana and amphetamines for domestic use. Icelandic authorities believe that most illegal drugs are smuggled into the country by airline passengers, through the mail or inside commercial containers. While Iceland is not considered to be a major transit point for drugs moving between North America and mainland Europe, in 2001 and 2002 several airline passengers transiting Iceland on their way to the United States were found to be carrying large quantities of illegal drugs. Iceland is a party to the 1988 UN Drug Convention.

II. Status of Country

Due to the harsh climate and lack of arable land, narcotics are rarely produced from plants in Iceland. The exception is marijuana. Authorities believe that home production of marijuana is becoming more common in Reykjavik, and, according to the head of Reykjavik Police Drug Department, the majority of the marijuana sold in Iceland seems to be domestically produced. In 2002 over one thousand marijuana plants were seized. Authorities have also shut down a few amphetamine factories.

The vast majority of illegal drugs found in Iceland originate from outside the country, mainly Denmark and the Netherlands. There have also been individual cases of drugs being brought in from France, Germany, Ireland, and Sweden. Authorities are recognizing a trend of foreigners attempting to smuggle drugs into Iceland. Since January 2001, a total of 23 foreign citizens have been caught smuggling drugs through Keflavik International Airport. This number included eleven Danes, six Germans, and citizens of Britain, France, and Holland. Icelandic authorities are also recognizing a growing threat of drugs originating from Poland and the Baltic States via Western European countries. Officials give varying explanations for this trend. Some believe it is due to a mistaken belief by foreigners that the Schengen system has made it easier to smuggle drugs through member countries.

The chief illicit drugs coming into Iceland are cannabis, amphetamines, cocaine, and ecstasy. Icelandic authorities believe that most illegal drugs are smuggled into the country by airline passengers, through the mail or inside commercial containers. The overwhelming majority of drug seizures occur at ports of entry, primarily at the Reykjavik seaport, which has an average annual flow of over 85,000 containers, and Keflavik International Airport. For example, as of December 1, 2002, 60 percent of Customs' cannabis seizures were from commercial containers and 38 percent from air passengers.

To compensate for decreased passport controls at the airport, the Icelandic police have received more funding to implement increased surveillance of foreigners inside the country. This additional surveillance has resulted in some discoveries of criminal activity that most likely would not have been noticed before. Customs authorities have also modified their control procedures at the ports of entry to make up for the lack of passport controls. Previously passport control was used to identify suspicious persons entering the country. Now Customs has reorganized and changed its working practices, for example by focusing more on luggage.

Traditionally, Iceland's geographic isolation in the harsh environment of the far North Atlantic has protected it against other types of smuggling. There is growing concern, however, that drug traffickers could be taking advantage of Iceland's sparse population (286,000) and numerous unguarded harbors and airstrips to bring in drugs by small private boats and planes. In the past there have also been instances of drugs being thrown overboard from ocean-going ships approaching Iceland. These drugs are in sealed containers attached to buoys that are later picked up by accomplices in small boats.

Icelandic experts on domestic drug abuse believe there has been a general decrease in drug usage in the country. A recent survey shows the average number of 16 year olds that has ever tried marijuana has shrunk from 17 percent in 1984 to 11 percent in 2002.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The National Alcohol and Drug Abuse Prevention Council, which includes representatives from each of the seven ministries involved in the fight against drugs, spearheaded a national effort against drug abuse in 2002. The Council's primary efforts consist of drug prevention and education programs. Established in January 1999, the Council reached the end of its charter period in 2002 and received mixed reviews. In polls, 86 percent of the population recognized the Council's name, and a majority was generally satisfied with the program's goals and message. However, critics argued that the program was too ambitious and should have been better publicized.

Accomplishments. Thus far in 2002, there has been a decline in the number of drug seizures at Icelandic ports of entry. While it is always difficult to determine if this is due to less trafficking through Iceland or to drug traffickers using more sophisticated methods to beat the system, Icelandic officials say that sources have informed them that traffickers are recognizing Iceland's advances in customs procedures and are seeking less risky transit countries.

In the largest seizure in 2002 at Keflavik, a 58-year old German man, traveling from Hamburg via Copenhagen, was caught attempting to smuggle 1.5 kilograms of cocaine into Iceland. He is currently in custody and awaiting trial. One month before, one kilo of hashish was seized from a German woman who was traveling the same route

The most outstanding drug discovery case of 2001 came to a close in 2002 when an Austrian national was sentenced to 12 years in prison for attempting to smuggle 67,485 ecstasy tablets from Amsterdam to New York. This is the longest sentence for a drug offense in the history of Iceland. The seizure and prosecution reflected Icelandic Customs' policy, in cases not involving controlled deliveries, of seizing any narcotics it knows are being transferred through the Keflavik International Airport rather than merely warning authorities at the final destination.

In one of the biggest cases Iceland has ever seen involving hashish, an Icelandic court sentenced four men to prison for smuggling 30 kilos in a container originating in Denmark. At year's end the court was still reviewing the case of a sailor on a cargo ship who was caught throwing a large amount of drugs into the ocean near Reykjavik harbor.

Law Enforcement Efforts. Throughout 2002 Iceland continued to expand its counternarcotics capability. Many techniques are useful in Iceland's counterterrorism efforts as well. Customs and police at the Keflavik International Airport have been the primary beneficiaries of the advances in technology that are used in counternarcotics efforts. The airport has received a new biometrics system called FACE-IT. The FACE-IT system scans the faces of individuals coming into Iceland and compares them to a database of individuals who are known criminals. Customs officials refer to FACE-IT as being extremely effective in counternarcotics interdiction efforts when used in tandem with other confidential customs procedures. Officials speculate that the intense media interest in the FACE-IT system may be contributing to 2002's decrease in known narcotics trafficking. Furthermore, numerous advanced X-ray machines installed in response to the terrorist attacks of September 11 have also benefited customs officials in screening checked baggage for illegal drugs.

During the past five years the government has more than doubled the number of policemen dealing specifically with the drug problem. Working facilities have improved, technical resources increased and improved, and additional training has been provided, both at the Police College and with the assistance of police officers from the U.S. and Europe. During the past two years the number of search dogs has risen from two to seven. Four more dogs will be added in early 2003. There is an agreement between all police units in Iceland to ensure that the police and customs authorities in all districts of the country will be able

to use the narcotics search dogs whenever necessary. A new phone taping system has also recently been installed for narcotics investigations.

Icelandic customs officials closely cooperate with the Faeroe Islands Police in stopping drug shipments coming to Iceland aboard a ferry that goes from Denmark to Iceland via the Faeroes. Icelandic officials believe this ferry has the potential to be a major drug smuggling route into Iceland.

Corruption. The Icelandic government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the Government of Iceland is known to engage in, encourage, or facilitate the illicit production or distribution of drugs or other illegal substances, or the laundering of proceeds from illegal drug transactions. Iceland's General Penal Code criminalizes active and passive bribery of public officials. Public corruption with respect to illegal narcotics is considered rare and, to the degree it exists, does not involve higher-ranking officials of the government.

Agreements and Treaties. Iceland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1972 Protocol amending the Single Convention on Narcotic Drugs. Iceland is also a party to the 1990 European Convention on Money Laundering, Search, Seizure and Confiscation of Criminal Proceeds.

Reykjavik customs officers are currently only able to inspect less than 20 percent of cargo containers entering the country. To maximize their success rates, customs officials are implementing a new risk analysis system based on experiences from other countries, including the U.S., in cooperation with the World Customs Organization.

Drug Flow/Transit. Icelandic authorities are seeing evidence that Iceland is being used as a transit point for ecstasy going to the U.S. from production centers in Denmark and the Netherlands. In March 2002, three French citizens arriving in New York via Iceland were caught with 201,000 ecstasy tablets. Icelandic officials speculate that Iceland is being used as a transit point because travelers coming from Iceland to the U.S. receive less scrutiny from U.S. customs officials than do travelers coming from traditional European drug centers. Although none has been intercepted this year, Icelandic customs officials suspect that small private planes may be using the same route to transport illegal drugs in order to avoid the same scrutiny.

Domestic Programs (Demand Reduction). The National Alcohol and Drug Abuse Prevention Council's "Drug-Free Iceland" program informed parents about the reality of teenage drug and alcohol abuse and emphasized the importance of enforcing the legal curfew as a way to prevent such abuse. (The curfew restricts the hours minors under 16 are permitted outdoors on their own.) Now that the National Alcohol and Drug Abuse Prevention Council has reached the end of its charter period, the Minister of Health has proposed a new bill to the parliament that calls for the establishment of a new national treatment center for the promotion of public health. It remains to be seen whether the Council will become a part of the new national treatment center or remain independent and continue in its present role.

In 2002, Reykjavik Customs developed a drug education program featuring a customs officer and a drug dog traveling to schools throughout the Reykjavik area. Over the year, the officer has spoken with over 3,000 teenagers about the harmful effects of drugs, about Icelandic Customs' efforts to stop drug smuggling, and about how customs officers and drug dogs work together to find drugs being smuggled into Iceland.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. experts travel frequently to Iceland to discuss their counternarcotics experience, and Icelandic law enforcement officials visit the United States for professional exchanges. In June 2002, DEA officials traveled to Iceland to coordinate controlled deliveries to the U.S. via Iceland. In

September, Iceland's government hosted a 10-day narcotics seminar that focused on ecstasy smuggling through Iceland. Participants shared information on smuggling techniques, surveillance techniques, and controlled delivery procedures.

The Road Ahead. The United States will continue to foster bilateral cooperation through its speaker, international visitor, and mobile training team programs. The U.S. Embassy in Reykjavik, in cooperation with the DEA and USG legal attaches in Copenhagen, will also work to make the exchanges more useful for both countries and to act on Iceland's specific requests for cooperation and assistance.

Ireland

I Summary

The Republic of Ireland does not play a significant role in international drug trafficking and is not a transshipment point for narcotics to the United States. Ireland is a party to the 1988 UN Drug Convention. According to the Garda Siochana (the Irish national police), drug use has leveled off in the past two years, following a steady increase over the past decade. The Irish government's National Drug Strategy, introduced in 2001, is in the early stages of implementation.

II. Status of Country

Most of the drugs seized within the Republic of Ireland appear to be for internal use. While Ireland does not appear to be a transit point for drugs to the United States, it is believed to be a transit point for some narcotics trafficking to other parts of Europe, including across the border with Northern Ireland. Ireland is not a significant source of illicit narcotics or precursor chemicals.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In 2002, the Government of the Republic of Ireland (GOI) began to implement its National Drug Strategy. The Strategy sets out policy targets in the areas of drug supply, abuse education, prevention, treatment, and research. Under this plan, regional drug task forces have been established throughout the country to develop policies that reflect the specific needs of that region.

Another program, "Revitalizing Areas by Planning, Investment, and Development" (RAPID), was also in the early stages of implementation in 2002. RAPID's goal is to provide funds to the most deprived urban areas for programs in health, youth development, employment, counternarcotics measures, and policing.

Accomplishments. Law enforcement services in Ireland made several major drug seizures during 2002, including the largest seizure of cannabis on record in July. Over six tons, almost half the total of cannabis seized in all of 2001, was seized at Dublin Airport, with an estimated street value of 15 million Euros.

Law Enforcement Efforts. The Garda Siochana continued their close cooperation with other national police forces throughout 2002. Garda liaison offices were established in Paris, London, the Hague and Madrid to assist in greater international cooperation. In August of 2002, the Garda National Drugs Unit assisted in two significant seizures of cocaine being transported in Belgium via an Irish-registered truck, as a part of an investigation into major drug gangs operating from a base in the Netherlands.

The Garda continued to target both small time street-level suppliers as well as larger dealers in 2002, resulting in 443 drug-related arrests according to their 2001 annual report. Of all the drugs seized by the Garda, cannabis was involved in 68 percent of the cases, while heroin was involved in 9 percent. Ecstasy cases accounted for 16 percent of the total, and cocaine accounted for three percent. The vast majority (80 percent) of drug-related arrests was for possession, rather than for supply and distribution.

Corruption. There were no verifiable instances of police or other official corruption related to drug activities in 2002.

Agreements and Treaties. The United States and Ireland signed a mutual legal assistance treaty (MLAT) in January 2001, to which the U.S. Senate gave its advice and consent to ratification on November 14, 2002. An extradition treaty between Ireland and the United States is currently in force.

The British-Irish Council (established under the Good Friday Agreement in April 1998) held a ministerial-level meeting in March 2002 to continue development of a framework for counternarcotics cooperation.

A series of recommendations were agreed upon to enhance cooperation on asset seizures, rehabilitation and reintegration of drug abusers, education and awareness campaigns, and community-based counternarcotics programs. A follow-on ministerial will be held in 2003.

Ireland is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Ireland has signed, but not ratified the UN Convention against Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, neither of which are in force internationally.

Cultivation/Production. Only small amounts of cannabis are cultivated in Ireland. There is no evidence that synthetic drugs are being produced domestically.

Drug Flow/Transit. A number of drugs are smuggled into Ireland. These include cocaine, cannabis, amphetamines, ecstasy, and heroin. According to Garda officials, the cocaine comes primarily from Colombia and other countries in Latin America and the Caribbean. Cannabis and amphetamine shipments originate in the Netherlands, eastern European countries, and South Africa. Ecstasy largely originates from the Netherlands, but there are also shipments coming from Poland. Heroin also arrives via the Netherlands and the United Kingdom. Throughout 2002, the Garda continued to work on destroying narcotics networks within the country. There is no evidence that Ireland is being used as a significant transshipment point for narcotics being sent to the United States.

Domestic Programs (Demand Reduction). Per the United Nation's 2002 Global Illicit Trends Report, an estimated 9.4 percent of Irish citizens use cannabis at least once a year. An estimated 2.4 percent and 2.6 percent use speed and Ecstasy, respectively, and 0.3 percent consumed opiates such as heroin. While only 1.3 percent of Irish citizens use cocaine, Garda officials note that cocaine use has increased the most in all age demographics.

By year's end, the Government was close to meeting its 2002 National Drug Strategy target of making available 6,500 drug treatment centers nationwide, with 6,290 centers already opened. Local Drug Task Forces provide input for dealing with areas that are most affected by heroin addiction. According to treatment center statistics, there are 12,000 heroin addicts in Dublin. In addition to community-wide programs aimed at impoverished areas (e.g. RAPID), the Probation and Welfare Service continues to develop programs for at-risk young people.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The United States has pursued greater legal and policy cooperation with the GOI, and has benefited from Irish cooperation with U.S. law enforcement agencies such as the DEA. The United States has encouraged greater participation in international counternarcotics organizations such as the Dublin Group of Countries Coordinating Narcotics Assistance.

Bilateral Cooperation. U.S. and Irish officials continued close counternarcotics cooperation throughout 2002, to include joint operations and investigations, as well as more routine information sharing.

The Road Ahead. In order to ensure that Ireland does not become a transit point for narcotics trafficking to the United States, the United States will continue its cooperative efforts with Irish officials to support Ireland's counternarcotics programs.

Italy

I. Summary

Italy is a consumer country and a major transit point for heroin coming from the Middle East and southwest Asia through the Balkans en route to western and central Europe. Heroin transiting Italy does reach the United States, but not in significant amounts. Counternarcotics efforts are complicated by heavy involvement of domestic and Italy-based foreign organized crime groups in international drug trafficking. Italian and ethnic Albanian criminal organizations work together to funnel drugs to and through Italy. The GOI is firmly committed to the fight against drug trafficking in-country and internationally via multilateral fora. Italian law enforcement agencies are capable and effective. The Berlusconi Government is continuing its strong counternarcotics positions. GOI cooperation with U.S. law enforcement agencies continues to be exemplary, a contributing factor to the increase in GOI seizures of heroin, cocaine, and Ecstasy (MDMA) in 2002.

II. Status Of Country

Italy is a narcotics transit and consumption country, but not a drug producer. Priority drugs for law enforcement officials are heroin and cocaine. Possession of small amounts of illegal drugs is an administrative, not a criminal offense, but drug traffickers are subject to stringent penalties. Law enforcement agencies with a counternarcotics mandate are extremely professional. Although Italy produces some precursor chemicals, they are well controlled in accordance with international norms and not known to have been widely diverted to illicit uses.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Italy continues to combat narcotics aggressively and effectively. Prime Minister Berlusconi has made counternarcotics a higher priority than ever before, although the GOI's focus is more on prevention, improved treatment, and rehabilitation than increasing criminalization. In November 2001, Berlusconi appointed Italy's first-ever drug czar, Prefect Pietro Soggiu. Soggiu, a former director general of the financial police (Guardia di Finanza) and of the inter-agency counternarcotics services directorate (DCSA), was a strong choice for the position. At the same time, a national department for counternarcotics policies was established under Soggiu. This department coordinates all of Italy's efforts against drugs, both supply reduction and demand reduction, and is responsible for proposing a new omnibus drug law to counter drugs in Italy by year end 2004.

On the multilateral level, Italy contributes more (U.S. \$11.6 million in 2002) than any other country to the Vienna-based United Nations Office of Drug Control and Crime Prevention (UNODC). An Italian, Antonio Costa, directs the UNODC.

Law Enforcement Efforts. The fight against drugs is a major priority of each of the three services coordinated by the DCSA: the national police, Carabinieri, and financial police. Working with the liaison offices of the United States and Western European countries, DCSA's 18 drug liaison officers in 17 countries focus on major traffickers and their organizations. These often overlap with Italy's traditional organized crime groups (e.g. the Sicilian Mafia and the Puglia-based Sacra Corona Unita). Other priority traffickers are Albanian and Russian organized crime groups, which traffic in heroin. Italian law enforcement officials use the same narcotics investigation techniques as other western countries: informants, extensive court-ordered wire-tapping, and controlled deliveries under certain circumstances. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help insure the effectiveness of these efforts.

Following is a compilation of the most outstanding counternarcotics accomplishments of Italian law enforcement in the year 2002:

- In February, 279 kilograms of cocaine packaged in a containerized shipment from South America were seized at the port of Naples. Also in February, the financial police in Verbania seized 160,000 tablets of Ecstasy, which subsequently led to the arrest of three U.S. citizens. Information indicated that the Ecstasy was destined for New York via Greece.
- In April, Italian authorities arrested 11 individuals working for an Albanian and Italian heroin trafficking organization. Investigations had targeted Albanian, Italian, and U.S. organized crime organizations. In December, a second wave of arrests occurred that resulted in the capture of an additional forty-two persons working for the organization.
- In April, the financial police seized 191 kilograms of heroin in Milan from a German-origin truck. Three foreign nationals were arrested.
- Also in April, 25 kilograms of cocaine were seized by Italian customs agents. The cocaine arrived via two pieces of luggage from Caracas, Venezuela via France.
- In August, the financial police assisted DEA Rome with the arrest of a DEA fugitive from Israel. The fugitive had been indicted in a significant DEA ecstasy investigation in Florida. Coordination between DEA Rome, DOJ Rome, the financial police, and the relevant Italian magistrate was excellent.
- In September, the Italian customs service assisted with the arrest of a fugitive wanted by the DEA Honolulu office for narcotics conspiracy.
- In October, the financial police seized 40 kilograms of heroin from a truck in Trieste. The Albanian driver of the vehicle was arrested.
- In December, 100 kilograms of cocaine were seized in Genoa by the Carabinieri. The cocaine was on board a vessel that transited Mexico. Four Italian nationals were arrested.

Corruption. As a matter of government policy, Italy does not encourage or facilitate the illicit distribution of narcotics or the laundering of proceeds from illegal drug transactions. No senior official of the GOI is known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Corruption exists only among bit players and has not compromised investigations. When a corrupt law enforcement officer has been discovered, authorities have taken appropriate action.

Agreements and Treaties. Italy is a party to the 1961 UN Convention and its 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances. It is also party to the 1988 UN Drug Convention. Italy has signed, but not yet ratified, the UN Convention Against Transnational Organized Crime, which is still being examined by the Justice Ministry. The U.S. and Italy have an extradition treaty and a mutual legal assistance treaty under which each cooperates in law enforcement matters.

Cultivation/Production. There is no known coca bush cultivation in Italy. However, opium poppy grows naturally in the southern part of Italy, including Sicily. This strain of opium is not commercially viable due to the low alkaloid content.

Drug Flow/Transit. Italy is a consumer country and a major transit point for heroin coming from the Middle East and Southwest Asia through the Balkans en route to western and central Europe. Heroin transiting Italy does not reach the United States in significant quantities. Albanian heroin traffickers work with Italian criminal organizations as transporters and suppliers of drugs. Cocaine, destined for Italian and other European consumption, originates with Colombian and (more recently) Mexican criminal groups.

Italy is increasingly attuned to the flow of drugs into the country. During 2002, seizures of heroin, cocaine, and Ecstasy increased significantly, while those of cannabis and hashish decreased. Heroin and cocaine are smuggled into Italy via boat and overland via truck and privately owned vehicle. In smaller quantities, they are transported via (primarily Nigerian and Colombian) couriers or air express parcels. Much of the Ecstasy, which is primarily imported from the Netherlands, is destined for the United States. Hashish is smuggled regularly into Italy on fishing and pleasure boats in multi-hundred kilo quantities from Morocco and Lebanon.

Domestic Programs. The Italian Ministry of Health funds 556 public health offices operated at the regional level while private non-profit NGOs operate another 1,430 “Social Communities” for drug rehabilitation. Of the 500,000 estimated drug addicts in Italy, 145,000 receive services at public agencies and 15,000 are served by the generally smaller private centers. The Berlusconi government passed a decree law in 2002 allowing an addict to enter a Social Community directly without first having to pass through a public health office. The FY 2003 budget for experimental programs run by the health, education, and labor ministries was cut by 35 percent to U.S. \$9 million as a result of a government-wide effort to reduce spending. A major GOI-sponsored counternarcotics information campaign was undertaken in 2002.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. works closely with Italy to target organized crime groups and narcotics traffickers with an impact on the U.S.

The Road Ahead. U.S. and Italy will continue to enjoy exemplary cooperation regarding counternarcotics efforts. U.S. and Italian law enforcement authorities will carry out numerous joint operations against drug traffickers, money launderers, and organized crime.

Kazakhstan

I. Summary

Kazakhstan continues to be an important transit corridor for drugs being transported to Russia and Western Europe. The Chairman of the Justice Ministry Committee on Combating Drug Addiction and Drug Dealing estimates that approximately one-third of Afghanistan's near-record ca. 3000 metric tons drug harvest (UNODC Estimate) will transit Kazakhstan this year. In addition, reports suggest that Kazakhstan has also become a transit country for illegal drugs going to Europe from China and other parts of Eurasia. Local drug use continues to increase, but local crime associated with drug use seems to have stabilized. Kazakhstan is taking steps to control drug abuse within its own borders. Endemic corruption at all levels of government complicates efforts to improve national controls over drug trafficking. Kazakhstan became a party to the 1988 UN Drug Convention in 1997.

II. Status of Country

Although vast fields of wild marijuana and ephedra, along with some local production of opium, show that Kazakhstan could become a major producer of illicit drugs, evidence continues to suggest that local production is limited mostly to in-country use, with some smuggling into Russia. Drugs transiting Kazakhstan impact Russia and Europe, not the U.S. After last year's destruction of three drug laboratories, no further production labs have been found. Weak legal controls have, however, reportedly led to an increase in the production and illicit trade in precursor chemicals.

III. Country Actions Against Drugs in 2002

Kazakhstan is in the second year of its five-year plan against drug trafficking and use. This year, the government's Security Council met throughout the year to plan ways to combat drug trafficking and revise the country's counternarcotics structures. A Commission on Counteracting Drug Addiction and Drug Trafficking was established on November 10, bringing together representatives from 13 disparate counternarcotics agencies at the national, regional and local level. This is an important first step towards a united national counternarcotics effort. In addition, Kazakhstan announced plans for the formation of a single Central Asia anti-narcotics information center under the aegis of EU's Central Asia Drugs Action Plan (CADA) program. The government also recently announced a U.S. \$70 million-dollar joint venture with a German firm to convert 20,000 hectares of wild marijuana in the southern Chui Valley to the commercial production of hemp. As part of its effort to gain control over its borders and improve border and customs controls, Kazakhstan continues to delimit disputed border areas with its neighbors.

In March, Russia and Kazakhstan agreed to set up a "cordon sanitaire" along their common border in order to stop the flow of drugs from Afghanistan. Each country will allocate U.S. \$2 million to the project. In April, Kazakhstan and Russia signed an agreement to allow the unobstructed flow of legally traded goods across their common border. The agreement includes provisions to exchange information on contraband. In May, the Law on Medical and Social Rehabilitation of Drug Addicts was passed, establishing drug rehabilitation centers, and counternarcotics programs in prisons and public schools. Also in May, the Law on Trafficking in Drugs, Psychotropic Substances and Precursors was amended to make it more effective.

As a result of the first meeting of the Kazakhstan-sponsored Conference on Interaction and Confidence Building Measures in Asia (CICA) in June, seventeen nations signed the "Almaty Act," pledging cooperation in the fight against terrorism, illicit arms trade and drug trafficking. July saw Kazakhstan introduce a ban on sending narcotics, psychotropic drugs and precursor chemicals through the mail and, a new customs code was adopted in November, simplifying customs procedures and eliminating various by-

laws that had been a pretext for corruption. In September, President Nazarbayev asked the Security Council to explore the possibility of decriminalizing the use and possession of certain light narcotic drugs, using the Netherlands as a model.

Kazakhstan also works closely with UNODC, which maintains a small office in Astana. UNODC has approval to begin a project on strengthening drug control and training capacities in Kazakhstan.

Law Enforcement Efforts. According to official figures, in the first nine months of 2002, a total of 42 metric tons of narcotics-related contraband were seized, of which 27 tons were precursor chemicals. Most of these seizures (40 metric tons) were made by the police (the Ministry of the Interior). Broken down by drug, the seizures amount to 10 metric tons of marijuana, 87 kilograms of heroin, 79 kilograms of opium, 70 kilograms of hashish and 55 grams of cocaine. All of these numbers, except for opium, are higher than last year. The drop in opium seizures may be due to the fact that, according to police a higher share of opiates is moving as heroin. Heroin is only a tenth of the volume of opium, and sells for a much higher price.

In 2001, nearly 18,000 drug-related arrests were made, leading to 12,000 prosecutions. In the first nine months of 2002, 10,000 drug-related arrests were made, leading to slightly fewer than 7,000 prosecutions.

There were some notable arrests and police actions during the year. In 2002, the Committee for National Security broke up three unrelated criminal gangs consisting of Iranians, Kazakhs and Georgians, respectively. Police seized a total of 14 kilograms of heroin, mostly intended for sale in Russia. In Karaganda Oblast, a local traffic policeman was arrested with 10 kilograms of heroin; in Kustanay Oblast, a woman was arrested for possession of 225 kilograms of marijuana, with a street value of U.S. \$20-30,000. In July, the Traffic Police in Astana arrested two women traveling from Bishkek, Kyrgyzstan to Yekaterinburg, Russia, with two kilos of heroin worth U.S. \$80,000. There were two major police operations during the year. Operation Law and Order, running from 22-28 April, resulted in 176 arrests and the seizure of 300 kilograms of illicit drugs. Operation Poppy 2002, running from May 15 to October 15, resulted in the seizure of 11 tons of narcotics-related contraband. The Agency for Customs Control, previously part of the Ministry of State Revenues, became an independent body in August.

Corruption. Corruption of all types, including cases related to narcotics trafficking, remains endemic at all levels of government. According to the Prosecutor General's Office, in the first half of 2002 more than 2000 civil servants, including seven senior officials, were disciplined for illegal activities and more than U.S. \$32 million was returned to the national treasury. Criminal charges were brought against 340 government employees, including the seven senior officials. In 2001, approximately 50 judges were removed from office for official malfeasance. As of August, an additional 20 judges had been removed for the same reason. By September, the Ministry of the Interior (responsible for the national police force) had brought criminal charges against 70 of its employees.

The Agency for Customs Control is prone to corruption. An investigation of the agency's central office in Astana revealed that nearly half of its 246 staff officers were guilty of abuse of office. In Kazakhstan as a whole, 80 criminal cases were brought against customs officers, 41 were fired for abuse of office and 721 officers were disciplined during the first nine months of 2002. Among the various charges brought against officers of all agencies is the selling of confiscated narcotics.

Government officials have spoken out on the need to take the problem of corruption seriously and taken some steps to address it. In April, the President established a commission to study the problem of government corruption and recommend changes in legislation. The Minister of the Interior has vowed to purge all corrupt officers from the ranks of the police and he said he will dismiss senior police officials even for tolerating corruption among subordinates. Heads of other agencies are likewise intent on prosecuting corruption within the ranks of their own agencies. Until the extremely low salaries at the lower ranks are raised further, however, it is unlikely that pervasive petty corruption can be eliminated (some here speak of "survival-based corruption"). This low level corruption is a major reason the borders of Kazakhstan remain porous.

Agreements and Treaties. U.S.-Kazakh law enforcement and legal cooperation is good and improving. After lengthy negotiations, the GOK and USG signed a Letter of Agreement which will allow enhanced cooperation on law enforcement training between the two countries.

Kazakhstan is a party to the 1988 UN Drug Convention. The Kazakhstan national counternarcotics law, passed in 1998, specifically gives the provisions of international counternarcotics agreements precedent over national law. The GOK also has numerous cooperative agreements throughout the region governing mutual issues of border control, cooperation in fighting narcotics trafficking, controlled deliveries, etc. Since March, the GOK has signed two agreements with Russia affecting border control and drug trafficking between the two countries.

Cultivation and Production. Marijuana and ephedra grow wild on about 1.2 million hectares of southern Kazakhstan, with the largest single location being the 130,000 hectares of wild marijuana in Chui Valley. In theory, the Chiu Valley alone could supply 150 thousand metric tons of marijuana or 6,000 metric tons of hashish each year. The GOK plans to convert 20,000 hectares of the Chui Valley marijuana crop—increasing to 50,000 hectares by 2005—to commercial hemp production as part of a U.S. \$70 million joint venture with a German firm. In the first nine months of 2002, the Prosecutor General's Office identified 284 cases of illicit cultivation of opium poppies, marijuana and ephedra and 497 cases of cultivation of wild marijuana. Most of this is small-time production for local use and sale. The largest opium field discovered, for example, contained 2,000 poppy plants covering 36 square meters.

Drug Flow/Transit. Despite its efforts, Kazakhstan continues to be an important transit country, especially for drugs coming out of Afghanistan and, increasingly, for drugs coming out of China and other parts of Asia. A large share of Afghanistan's opium crop transits Kazakhstan on its way to markets further west. Drug routes change constantly, but the two current main transport corridors are Afghanistan-Turkmenistan-Uzbekistan-Kazakhstan-Russia-Europe, and Afghanistan-Tajikistan-Kyrgystan-Kazakhstan-Russia-Europe. Drug couriers tend to follow main road and rail routes. Due to a weak maritime tradition, lack of proper equipment and training, and legal defects that prevent the Border Guard Service (the Kazakhstani equivalent of the U.S. Border Patrol and Coast Guard), from making arrests, Kazakhstan's main port on the Caspian Sea has become a transit point for drugs. Illicit drugs are increasingly being transported north by boat through Kazakhstan's coastal waters.

Domestic Demand. There are approximately 250,000 drug addicts in Kazakhstan, about 1.7 percent of the population. After a rapid increase in the 1990's, the increase in numbers of addicts seems to have slowed and is expected to stabilize at about 280,000.

The government recognizes the seriousness of the problem and in May passed a Law on Medical and Social Rehabilitation of Drug Addicts. This act establishes drug treatment centers, as well as counternarcotics programs in prisons and schools. The GOK also allows NGOs to operate counternarcotics programs freely throughout the country.

IV. U.S. Policy Initiatives and Programs

This year the USG placed its first Regional narcotics officer in the U.S. Embassy at Almaty to establish and coordinate counternarcotics activities throughout Central Asia. The officer is working with the GOK, EU, international agencies, NGOs, and agencies of the USG to strengthen Kazakhstan's control over its porous southern border and to enhance customs and border operations at the country's main Caspian Sea port. Narcotics officers in Kazakhstan and Russia cooperate to enhance Russian-Kazakhstani efforts to control narcotics traffic across their mutual border. State Department narcotics assistance finances counternarcotics training and funds the Regional Legal Advisor (RLA) in Kazakhstan. The RLA will concentrate his efforts on legal training and reform related to counternarcotics and money laundering. The Central Asian Security Initiative/Export Border Security (CASI/EXBS) Advisor continues to cooperate closely with the narcotics officer, as do FBI's two legal attaches.

Bilateral relations between the U.S. and Kazakhstan continue to be good. The GOK provides law-enforcement related information requested by the U.S., including information regarding suspected drug traffickers. U.S. anti-terrorism assistance clearly has some counternarcotics spin-offs. During 2002, U.S. Customs provided weapons of mass destruction (WMD) border interdiction, laboratory analysis and investigation seminars together with delivery of specialized detection equipment.

The Road Ahead. Kazakhstan is trying hard to end its status as a narcotics transit country. To that end, it continues to strengthen its borders, refine its laws and cooperate with the international community. Corruption, lack of resources and training, and a weak infrastructure remain problems, but current trends are encouraging.

The U.S. will continue to cooperate with the GOK and to concentrate its regional counternarcotics efforts here. Kazakhstan is the most economically developed of the Central Asian republics; it is also likely to be the only Central Asian country with the financial resources to seriously fight the narcotics trafficking that plagues the region. Kazakhstan's size and position in relationship to Afghanistan and Europe continue to make it a major drug transiting country.

Kyrgyz Republic

I. Summary

The Kyrgyz Republic produces almost no illicit narcotics or precursor chemicals, but is a major transit country for drugs originating in Afghanistan and destined for Russian, Western European and American markets. During the calendar year 2002, the Government of the Kyrgyz Republic (GOKG) attempted, with limited resources, to combat drug trafficking and locate and prosecute offenders. The GOKG has been supportive of international and regional efforts to limit drug trafficking and has begun major initiatives to address its own domestic drug use problems. The GOKG recognizes that the drug trade is a serious threat to its own stability and is continuing efforts to focus on secondary and tertiary drug-related issues such as money laundering, drug-related street crime, , and corruption within its own government ranks. Drug abuse is a continuing and escalating problem that has placed a burden on law enforcement and the health care industry. The Ministry of Health reports that over ninety percent of known HIV and AIDS cases are related to intravenous drug use.

Public confidence is eroding concerning the GOKG's capability to address important concerns of its citizens such as unemployment, unpaid salaries, inadequate health care, and rising crime. The result has been public apathy towards government initiatives such as counternarcotics programs, toleration of government corruption, and a growing dependency on a shadow economy that includes drug trafficking, street sales, and usage. While the GOKG has been a supporter of counternarcotics programs, it is still struggling to deliver a clear and consistent counternarcotics strategy to either the Kyrgyz people or the international community. The State Commission for Drug Control has been fighting a losing battle against drug trafficking, particularly in the city of Osh, where drug trafficking has become a growing source of income and employment. The GOKG hopes that a proposed Drug Control Agency, a counternarcotics agency sponsored by the USG and managed by UNODC, will be a new beginning in the Kyrgyz Republic's efforts to minimize drug trafficking. In 1994, the GOKG became a party to the 1988 UN Drug Convention.

II. Status of Country

The Kyrgyz Republic shares a common border with China, Kazakhstan, Uzbekistan, and Tajikistan. Mountainous terrain, poor road conditions, and an inhospitable climate for much of the year make detection and apprehension of drug traffickers difficult. Border stations located on mountain passes on the Chinese and Tajik borders are snow covered and uninhabited for up to four months per year. These isolated passes are some of the most heavily used routes for drug traffickers. Government outpost and interdiction forces rarely have electricity, running water, or modern amenities to support their counternarcotics efforts.

The Kyrgyz Republic is one of the poorest successor states of the former Soviet Union, relying on a crumbling infrastructure and suffering from a lack of natural resources or significant industry. Unlike some of its Central Asian neighbors, the Kyrgyz Republic does not have a productive oil industry or significant energy reserves. The south and southwest regions--the Osh and Batken districts--are primary trafficking routes used for drug shipments from Afghanistan. The city of Osh, in particular, is the main passage point for road and air traffic and primary transfer point for narcotics into Uzbekistan and Kazakhstan and on to markets in Russia, Western Europe and the United States. The Kyrgyz Republic is not a producer of narcotics. However, cannabis, ephedra, and poppy grow wild in many areas.

Agreements and Treaties. The Kyrgyz Republic is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN

Convention on Psychotropic Substances. It is also a party to the Central-Asian Counter Narcotics Protocol, a regional cooperation agreement encouraged by the UN.

The Kyrgyz Republic has signed bilateral and multilateral agreements concerning narcotics control with all CIS countries as well as Pakistan, Germany, Austria, China, Iran, Bulgaria, and the Czech Republic.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The GOKG has instituted various national programs and legislation to combat drug trafficking and drug abuse. Article 309, passed on July 12, 1993, created a national program to combat drug abuse and illicit drug trafficking. Other programs passed into Kyrgyz law include Article 293, passed on June 2001, “for a national program on combating drug abuse and illicit drug trafficking for 2001-2003.” As a part of President Akayev’s counternarcotics abuse education initiative, the GOKG, with financial assistance from the United Nations Office of Drugs and Crime (UNODC) and other international donors, has produced a number of counternarcotics public announcements broadcast over local television. The most comprehensive was a program entitled “Drugs, Truth, and Lies.” In addition, last year’s publicized slogan, “Into the 21st Century Without Drugs,” was seen on billboards and in other media. A privately funded association named “Kyrgyzstan Without Drugs” also focuses on demand reduction initiatives.

On June 25, 2001, the GOKG adopted a new state program on combating drug abuse and illicit drug trafficking. While this move did not result in any substantive policy changes, it created an open forum for communication on drug-related issues including crime prevention, health care, legal affairs, and financial concerns. This comprehensive program includes the efforts of the Ministries of the Interior, Education, Agriculture, Justice, the State Drug Control Agency, National Security Service, State Customs, and the General Procurator’s Office.

Drug Flow/Transit. The GOKG and the State Commission for Drug Control (SCDC) have identified four separate routes for drug trafficking: the Kyzyl-Art route across the southernmost part of the Kyrgyz Republic and onward to Osh and the Ferghana valley and Uzbekistan; the Batken Route stretching to the far western and most remote areas bordering Tajikistan and Uzbekistan; the Altyn-Mazar route that follows a similar path into the Ferghana; and a fourth route overlapping some of these routes and beginning in the city of Khojand on the Tajik border. All of these routes originate somewhere on the 1000-kilometer Tajik border and consist of footpaths, minor roads, and only a few major thoroughfares. The GOKG estimates that there may be over 100 different paths smugglers use to move narcotics and contraband across Kyrgyz borders.

Street values of heroin and opium domestically have remained relatively stable over the last year, according to SCDC statistics. In January 2002, a kilogram of heroin could be purchased in Bishkek for approximately U.S. \$5,000. A July report by the MVD (Interior Ministry Police) claims that similar prices existed in July 2002. However, a SCDC official also claimed that street prices in Osh have shown a steady decline over the last five years indicating a burgeoning market. In 1997, a kilogram of heroin cost U.S. \$10,000, twice that of today’s prices. According to MVD data, a single dose of heroin is available for 40-50 Som (U.S. \$1). Street prices reportedly do not vary significantly among the major cities in the Kyrgyz Republic.

Law Enforcement Efforts. The GOKG’s State Commission for Drug Control has existed since 1993, but has only 16 staff members. The SCDC estimates that, based on its own internal reporting and seizures, nearly 3000 kilograms of heroin, and 5000 of opium, pass through the Kyrgyz Republic, only 5-6 percent of which is ever seized. In 2000, the SCDC claimed that nearly ten percent of narcotics were seized. The difference, according to SCDC and MVD, can be attributed to drug traffickers ability to change tactics after a series of setbacks caused by Operation Enduring Freedom operations in Afghanistan. Drug traffickers have since refined their efforts to conceal and transport narcotics, reportedly using women and children as mules to pass through border stations known not to have female inspectors.

The SCDC has had difficulty gathering information and controlling resources in some of the remote regions, particularly in the Osh district. The SCDC openly admits that some Kyrgyz officials are involved in the drug trade, including members of the MVD, and SNB (National Security Service—successor to the Soviet-era KGB). In January 2001, a SNB officer was tried and convicted, along with his associates, after being arrested for heroin possession with the intent of sale. The Osh region remains an unwieldy and volatile drug trafficking region that the SCDC has declared a high priority target of its counternarcotics efforts.

The GOKG, citing a lack of financial and personnel resources, is attempting to address these issues by authorizing a new drug control agency, a US-funded, UNODC-sponsored agency that would mirror a similar agency in Tajikistan. During 2002 the SCDC was in the midst of negotiations to create this drug control agency modeled after the USG Drug Enforcement Agency (DEA). The chief of the current SCDC, Kurmanbek Kubatbekov, will oversee this project. This new 297-man agency will draw upon other Kyrgyz law enforcement agencies for personnel and leadership. The DCA will also support two special units, one in Bishkek and the other in Osh, designed as a quick-reaction squad to respond to cross-border activities and emergency situations. The Drug Control Agency will have a direct advisory role to President Akayev.

Domestic Demand. The Kyrgyz Republic's National Narcological Center lists 5043 registered drug abusers but estimates the actual number of drug abusers is likely to be 10-15 times that amount. The Ministry of the Interior (MVD) has reported that heroin smuggling has increased ten-fold in the last five years. Arrests and prosecutions related to drug trafficking have increased in the first six months of 2002 in comparison the same time period in 2001. In the first half of 2002, 1480 drug-related crimes were reported, a 10 percent increase from 2001.

IV. U.S. Policy Initiatives and Programs

In December 2001, the GOKG and the U.S. Embassy in Bishkek, on behalf of the State Department's Bureau of International Narcotics and Law Enforcement (INL), signed a Letter of Agreement (LOA) to construct a Model Customs Post in the village of Kyzyl-Art on the Tajik border. This U.S. \$250,000 project will seek to serve as a model which can be replicated for efforts to counter the narcotics traffic on what has been identified as one of the busiest drug-trafficking routes. Construction will begin in the spring of 2003. When completed, this post will be equipped with modern detection equipment and manned on a 24-hour basis. U.S. anti-terrorism assistance clearly has some counternarcotics spin-offs. During 2002, U.S. Customs provided weapons of mass destruction (WMD) border interdiction, laboratory analysis and investigation seminars together with delivery of specialized detection equipment.

The Road Ahead. The USG will continue to work with the GOKG and UNODC to create the proposed drug control agency and work to reduce corruption and foster transparency in the GOKG's struggle against drug trafficking and its effects. Post will closely monitor the progress of the model customs post in Kyzyl-Art and work with other USG agencies to provide appropriate training opportunities for Kyrgyz law enforcement personnel.

Latvia

I. Summary

Heroin, amphetamines and cannabis are the drugs of choice in Latvia. Deteriorating quality in the heroin available in Latvia seems to have accelerated a shift towards increased abuse of amphetamine and cannabis. Latvia is a party to the 1988 UN Drug Convention.

II. Status of Country

The quantity and quality of heroin available in Latvia has seemed to deteriorate as a result of events in Afghanistan. Both the Taliban poppy ban and subsequent military action disrupted established trafficking networks leading to a sharp decline in the quality of heroin being sold to drug abusers on Latvia's streets. Heroin samples from recent seizures have had a heroin concentration of 20 percent to 30 percent, down from the average 80 percent pure heroin available in Latvia since 1998. Analyses of seized samples of "low quality" heroin reveal that they were produced in Central Asia and Afghanistan. It appears that heroin "wholesalers" have reacted to the disruptions in their supply chain, by cutting the heroin available for retail distribution in Latvia to stretch out the supply available.

Low quality heroin has encouraged addicts to try other drugs of abuse, namely amphetamines and cannabis and different psychotropic substances. ANREN, a research division of the Ministry of Welfare, finds in one of its studies a 17 percent increase from last year in cannabis usage; an unspecified increase in synthetic drugs 2001 to 2002; but a decrease in the use of opiates by 42 percent, over 2001.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The increase in drug seizures and decrease in direct drug-related crime apprehensions in Latvia this year is partly due to greater police targeting of wholesale drug operations—usually carried out by established Organized Crime (OC) groups as opposed to targeting local distributors. Fewer apprehensions might actually matter more as "bigger fish" have been arrested. But the decrease in drug-related crime apprehensions is also due to changes in distributor selling tactics and methods, making activity in the illicit drug market more difficult for drug enforcement to follow.

Law Enforcement Efforts. Heroin seizures in the first half of 2002 increased dramatically from the same period in 2001; seizures rose from 270 grams (ca. one-half pound) to 4.75 kilos (10.7 lbs.). Two major cases accounting for 83.4 percent of total heroin seizures in 2002 involved railway cargo and individual cross-border drug trafficking. Seizures of amphetamine and Ecstasy tablets also increased dramatically from 2001 to 2002. Of total Ecstasy seizures in 2002, 87 percent involved trafficking across international borders.

Arrests in heroin cases accounted for 41 percent of all drug-related arrest cases in 2002, down from 59 percent in 2001; while amphetamine-related arrests' share in total drug arrests rose to 30 percent, up from 9 percent in 2001. The share of cannabis-related drug arrests remained unchanged at 22 percent of all drug-related arrests.

Corruption. Latvian authorities are very aware of the problem of corruption and are focused on doing everything they can to bring about improvements. The USG has no evidence of drug-related corruption at senior levels of the Latvian government.

Agreements and Treaties. Latvia is a party to the 1988 UN Drug Convention, and the other UN drug conventions. A 1923 extradition treaty, supplemented in 1934, remains in effect between Latvia and the United States. A bilateral mutual legal assistance treaty between the United States and Latvia entered into

force in 1999. Latvia signed the UN Convention against Transnational Organized Crime on December 13, 2000 and ratified it on December 12, 2001.

Cultivation/Production. Drug production is not a significant problem in Latvia, though potential does exist for manufacture or cultivation of certain drugs.

Drug Flow/Transit. Narcotic substances are frequently smuggled into Latvia via Poland, principally by train, bus, truck and car. Secret compartments inside gas tanks, or built-in compartments underneath car floors, car trunks, doors, and inside engines are common hiding methods that have made inspection more difficult. Individual couriers traveling by land frequently conceal drugs in baggage or within their bodies. Amphetamine are trafficked from the Netherlands, Poland, and Estonia, often using posted parcels. Heroin is primarily trafficked via Russia. Drugs tend to be transshipped through Latvian seaports; drugs destined for Latvia itself rarely arrive at seaports.

Heroin is sold at “retail” in public places such as parks, at the city center, or more secretly in private apartments. Selling tactics and methods constantly change. Larger dealers use intermediaries to limit the clients’ contact with the dealer. Amphetamine are mainly distributed at gambling places and other places of youth entertainment such as nightclubs, discotheques and raves. According to police and NGO sources, much of the cannabis trade is carried out by persons of Roma (Gypsy) origin. Distribution is often a family business and an essential source of income. Other members or close relatives of the family continue the business if one family member is detained or prosecuted. Stable organized crime groups also engage in both wholesale and, in some cases, retail trade.

Latvia is not a significant producer of precursor chemicals. It has, however, served as a transshipment point. In May of 2002 two Latvian nationals were arrested and 2,100 tons of safflower oil (legally used for fragrance and flavoring, but also used for amphetamine production), and worth up to 12 million Lats, were seized as the safflower oil was being transported from Karlshamn in Sweden to the Latvian port of Liepaja.

Domestic Programs/Demand Reduction. Despite the decreasing trend in the heroin addict population, opiates remain the drug of choice in Latvia. The NGO Center for Drug Abuse found that opiate addicts accounted for 61 percent of total registered addicts. The retail price increase of heroin at the end of 2001 from 5 to 8 Lats per 0.1 gram, has held fairly constant into 2002. Retail prices of 3 to 7 Lats per 0.1 gram dose prevailed in 2002, and early 2003. (One Lat equals approximately U.S. \$1.62.)

The decrease in heroin supply and the concomitant decline in heroin abuse have led to a decrease in intravenous-drug related HIV infections. In 2002, the number of new, shared needle usage-related HIV positive findings decreased by 57 percent from new cases registered during 2001. Though HIV transmission from needle usage is decreasing, it continues to account for the largest single reason for HIV positives. Of the total number of state-registered HIV cases in 2002, 75 percent were related to intravenous-drug users; down only modestly from 79 percent in 2001 and 80 percent in 2000. HIV infection is most prevalent among youth. 70 percent of all HIV positives occur in individuals under age 30.

IV. U.S. Policy Initiatives and Programs

U.S. Policy and Bilateral Cooperation. The United States has registered excellent cooperation with Latvia in combating drugs. The United States maintains programs in Latvia focusing on investigating and prosecuting drug offenses, corruption, and organized crime. Several Latvian enforcement personnel have attended U.S. training courses in Latvia and elsewhere in the region.

The Road Ahead. In the future, the United States will continue to pursue and deepen cooperation with Latvia. The United States will expand efforts to coordinate with the EU and other donors to ensure complementary and cooperative assistance and policies with the GOL.

Lithuania

I. Summary

Lithuania is a terminus on a major transit route for heroin from Asia to Western Europe. Synthetic narcotics are produced in Lithuania for local use and also trafficked to neighboring countries. Heroin, synthetic drugs, and cannabis are the drugs of choice in Lithuania, but psychotropic drugs are becoming popular. Narcotics abuse is increasing, but narcotics related crimes have declined recently. The Government has improved counternarcotics trafficking and abuse measures at secondary schools, a response to the growing demand for drugs by Lithuanian urban youth.

II. Status of Country

In 2002, heroin, synthetic drugs, and cannabis continued to be the drugs of choice in Lithuania, but poppy straw is also still popular. Hashish is not abused to any great extent in Lithuania. Synthetic psychotropic drugs (e.g. GHB) are also becoming popular. The minimum price of a heroin dose (significantly “cut” by the addition of inert ingredients) declined from U.S. \$5 in 2001 to U.S. \$2 in 2002. The abuse of liquid heroin for intravenous injections appears to be on the up-swing. Poppy straw is popular in the countryside and is smuggled to the Kaliningrad district of Russia. In early 2001, the police estimated that the Lithuanian narcotics market was worth U.S. \$75 million. Since then, both drug use and the impact of organized crime groups engaged in the drug business have expanded in Lithuania.

The police estimate that over 30,000 out of Lithuania’s 3.5 million inhabitants (less than 1 percent) have tried drugs. In 2001 (latest figures available), there were 4,087 drug addicts registered at health care institutions (including 96 children and teenagers), 566 drug addicts more than in 2000. Eighteen percent of all the registered drug addicts were women and 82 percent were men. More than 90 percent of them lived in cities, with the highest numbers in Visaginas, Vilnius, and Klaipeda. More than 75 percent of all drug addicts are less than 35 years old. Over 90 percent of heroin addicts in Lithuania inject, and two thirds of HIV-positive persons are intravenous drug users. By the end of December 2002, 735 registered HIV-infected persons lived in Lithuania; however, the real number of HIV positive persons may be several times larger. Hepatitis C infection among intravenous drug users is also common.

In an effort to expand the illicit market for drugs, narcotics traders continued targeting secondary schools. In response, the Government took a series of measures in 2002 to improve security around schools. The number of 15 and 16-year-old pupils who try drugs is growing rapidly, and police in Vilnius are regularly dealing with addicted children from 10 to 13 years of age. It is estimated that two percent of schoolchildren use drugs regularly and 15 percent of 15-16 year old schoolchildren took drugs at least once during their lives. The schoolchildren mostly use cannabis, tranquilizers, and inhalants (glue). Increasing proportions of young people try heroin first. The use of cannabis, Ecstasy, LSD, and amphetamine (frequently together with alcohol) unfortunately is considered an integral part of the alternative youth sub-culture, and even gradually leads to the use of stronger narcotics (viz., heroin). As a result, Lithuania is rapidly catching up to western countries in overall drug use, production and distribution.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In January 2002, the Government approved a strategy for the prevention of drug trafficking aligned with the EU counternarcotics action plan for 2000-2004. The plan especially aims at tightening control of synthetic drugs and their precursors, preventing heroin smuggling, and narcotics-related money laundering.

Experts note rapidly rising public awareness of the hazards caused by narcotics. Government agencies and NGOs initiated a series of public awareness campaigns throughout 2002. In April 2002, the Health Ministry established the National Drug Information Focal Point at the State Public Health Service, co-funded by the EU, which collects, analyzes, and evaluates information on narcotics abuse trends.

Law Enforcement Efforts. From 1992-2001, the number of narcotics-related crimes quadrupled in size. However, in 2002, Lithuanian law enforcement authorities reported a 10 percent decrease in narcotics-related crimes as the total number of convicted of criminal offenses also declined by more than 10 percent. The number of individuals detained in connection with crime did not change significantly. The budget allocation of the Lithuanian counternarcotics enforcement system is on an up-swing, but the funding is still inadequate. EU countries sponsored numerous training exercises for Lithuanian law enforcement personnel. From 2000-2001, the police shut down seven well-equipped laboratories that were producing amphetamine, Ecstasy, and precursor chemicals.

In 2002, the Customs initiated 14 narcotics related criminal cases (eight in 2001). The largest seizure of narcotics by the Customs was two kilograms of heroin. In 2002, the Customs Department established the Drug Control Division and increased its staff from five to 26 (including 15 officers working with drug-detecting dogs). In 2002, the Government eliminated some loopholes in the counternarcotics legislation (e.g. on dual use drugs, precursors) and continued aligning the laws with EU norms. Total seizures in 2002 were: Poppy straw and poppy straw extract—333 kilograms; heroin—5.4 kilograms; synthetics—4.6 kilograms plus 1400 tablets; and cocaine—1.3 kilograms.

Corruption. The U.S. has no evidence of any high-level narcotics-related corruption in Lithuania.

Cultivation/Production. Until 1998, most popular narcotics were cheap “local” narcotic substances, such as intravenous opium extract produced from locally grown poppies or “Ephedrone” (or Pervitine) made from medications containing ephedrine. With a rise in the standard of living, new types of drugs, primarily heroin and synthetics, have been growing in importance. Heroin and cocaine are imported, but a significant portion of synthetic drugs and cannabis are produced locally.

Drug Flow/Transit. Poppy straw is transported from Lithuania to Kaliningrad. Cannabis and hashish arrive in Lithuania by land and sea, to a significant extent from Morocco. Heroin comes to Lithuania by the “Silk Road” (Afghanistan, Pakistan, Tajikistan, Uzbekistan, Kazakhstan, Russia, Belarus—Lithuania) or the Balkan Route (via the Balkans and Central or Western Europe). From Lithuania, heroin is transported to Scandinavian countries (by ferries or cars), Poland, and Kaliningrad. Cocaine is transported to Lithuania from Central and South America via Germany, the Netherlands, and Belgium. Amphetamine arrives in Lithuania from Poland and the Netherlands, but amphetamines are increasingly being produced locally—both for domestic use and for export to Scandinavia. Lithuanian organized crime groups participate in trafficking narcotics to Western Europe from Lithuania and Central and South America. Cannabis is imported from the Netherlands, Russia, Belarus, Spain, as well as from African countries. However, most cannabis that is available in the illegal domestic market is produced locally.

An increasing number of Lithuanian citizens have become drug traffickers. In 2002, 113 Lithuanian citizens were apprehended abroad while trafficking amphetamine, cocaine, heroin, cannabis, and pills, mostly in Germany (36), Sweden (24), Norway (23), but also in Latin America (15), and one in the United States. The total number of Lithuanian citizens apprehended for trafficking abroad in 2001 and 2000 are 68 and 62, respectively.

In January 2002, with assistance from Lithuania, the police in Belgium confiscated 250,000 Ecstasy pills. In June 2002, the Spanish police detained two Lithuanian nationals transporting 1.3 tons of hashish. In December 2002, Swedish Customs confiscated 150,000 tablets of tranquilizer Rohypnol and up to 10,000 Ecstasy pills in a truck on a ferry from Lithuania. In October 2002, the Lithuanian State Security Department (secret service) reported that in 2001, in cooperation with other countries, it broke 7 organized crime groups trafficking in narcotics and arrested Lithuanian, Afghan, and Yemeni nationals involved in large-scale drug trafficking.

Domestic Programs (Demand Reduction). Narcotics addicts have had an entitlement to government-provided confidential healthcare and social services since 1997. Access to anonymous consultation and needle/syringe exchange has slowed the spread of HIV infections in Lithuania. In 2002, the government operated five national narcotics abuse treatment centers (also providing two-month detoxification treatment) attached to the Psychological Health Center. Ten (10) regional Public Health Centers with local outlets work to prevent the use of drugs, especially in schools. There is an active AIDS Center with its own rehabilitation center and several divisions throughout Lithuania. The national Health Development Center is involved in education, and the Center of Extreme Health Situations is involved in drug use prevention in prisons. The Government also supports counternarcotics projects carried out by NGOs. The GOL provided several hundred “Social Tutor” positions in schools, and introduced drug tests for schoolchildren (with parental consent). Since 2001, the police have operated a confidential phone line to collect information about the distribution of narcotics, and the national AIDS Center operates a toll-free phone line as well.

Methadone treatment programs have operated in major cities since 1995, with more than 4,000 people receiving treatment in 2002. However, the efficiency of the treatment, rehabilitation, and harm reduction programs has not been adequately researched. Little was done to reduce narcotics demand in correctional institutions, where some 70 percent of inmates reportedly use narcotics, and the problem simply continues among those leaving correctional institutions. In mid-2002, there was an outbreak of HIV in one of the maximum security prisons, after which the Government allocated an extra U.S. \$900,000 to prevent the spread of narcotics and AIDS. More than half of all criminal cases initiated against the inmates were related to the illegal possession of and trade in drugs.

The Defense Ministry, assisted by the USG, has a program to reduce drug use among conscripts, some 10 percent of whom, on average, have used drugs (mostly amphetamines).

Treaties and Agreements. Lithuania is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. A bilateral extradition treaty ratified by Lithuania on February 13, 2002 and by the U.S. on January 17, 2003 will be in force upon the exchange of instruments of ratification. A bilateral mutual legal assistance treaty with the U.S. has been in force since 1999. Lithuania signed the UN Convention Against Transnational Organized Crime in December 2000.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. supports the development of a regional “Network of Excellence” to implement effective HIV prevention programs involving Scandinavia, the Baltics, and the Russian cities of St. Petersburg and Kaliningrad. The U.S. has also trained several Lithuanian law enforcement personnel, and donated specialized equipment to the Lithuanian Customs.

The Road Ahead. The road ahead will see increased cooperation between the U.S. and Lithuanian authorities. Advanced money laundering training and anti-organized crime training will continue, subject to the availability of funds. Lithuania sees itself as a partner in U.S. efforts to counter the narcotics trade and will actively assist counternarcotics efforts.

Macedonia, Former Yugoslav Republic of

I. Summary

The Former Yugoslav Republic of Macedonia (FYROM) is neither a major producer of, nor a major transit point for, illicit drugs, although it is located along a southern variant of the Balkan Route, used to ship Southwest Asian heroin to the West European consumer market. Drug seizures in 2002 declined slightly in number, and to a greater extent in quantity of drugs seized, from 2000-2001. In that period police made record high seizures. Law enforcement officials attribute the fall to less effective enforcement during a period when they did not have complete control over their borders. Macedonia suffered an internal conflict in 2001, and during 2002 police were only beginning to return to and effectively police former conflict areas. The conflict created more porous borders with Kosovo, southern Serbia, and Albania. Trafficking to and from Kosovo remained high in 2002, following an increase that began in 2000, indicating the province's sustained importance as a market and as a transit point. Kosovar criminal gang activity in Macedonia increased in 2002 as well, according to law enforcement officials. Local police efforts to combat trafficking have benefited from international assistance, and appear focused and effective despite many challenges. Generally increasing drug seizures in recent years likely reflect both increased professionalism in the police force and increased trafficking. The political will does not exist to seriously address drug-trafficking and its effects in Macedonia, and needed legislation is likely to languish, again, as it has for the past several years. Macedonia is a party to the 1988 UN Drug Convention.

II. Status of the Country

Macedonia lies along one of several overland routes used to deliver Southwest Asian heroin via Turkey to Western Europe. In recent years, this route has also been used to deliver high grade Albanian hashish to Turkey where it is exchanged for heroin. While limited amounts of marijuana are grown in Macedonia, the market for it is small because it cannot compete with the higher quality, lower priced Albanian product. Macedonia is not known to produce precursor chemicals, and its law enforcement officials strictly control entrance of possible precursors at its borders. Cocaine does not transit Macedonia in significant quantities.

III. Country Actions Against Drugs in 2002

Policy Initiatives. A committee of ministers and deputy ministers responsible for creating and implementing counternarcotics strategy exists on paper. This commission, formally headed by the Prime Minister, has been rendered ineffective by constant political change that has robbed it of 80 percent of its initial membership and, more generally, by a lack of political will. New appointees must be approved by the government, and in the wake of the tumultuous political climate that resulted from the 2001 conflict, and in the run-up to September 2002 parliamentary elections, no new members were appointed. The remaining working-level members of the commission have lobbied the new government that came into power in fall 2002 to reinvigorate the commission, but the government's main focus is on restoring stability and it has, to date, taken no action on the commission.

A draft law on control of precursors, narcotics, and psychotropic substances that would bring Macedonian law into compliance with UNODC and EU standards was drafted in the late 1990s but has yet to be put forward for passage by parliament.

A draft "Action Plan for Fighting Drug Abuse in Macedonia 2002-2006," meant to bring government counternarcotics programs and laws into accordance with EU standards, has been circulating through the government since 1999, but has not received attention due to other pressing concerns. Funds from the EU to assist in counternarcotics efforts for the most part were not dispersed in 2001 and 2002 due to the security situation, but the EU resumed work in mid-2002 to assess Macedonia's counternarcotics needs.

The Ministry of Interior's (MoI's) department for counternarcotics trafficking was refocused under the auspices of a UNODC-PHARE program in 1999 and the MoI established an operation analysis branch of four officers. Activated in 2001, the unit remained understaffed until early 2002 and only then began to operate at a functional level. In the future, the MoI plans to establish five regional operational analysis branches. The counternarcotics department maintains a good and active relationship with Interpol and the Southeast European Cooperative Initiative (SECI) Regional Crime Center in Bucharest.

Accomplishments. Macedonian counternarcotics officials, along with their regional counterparts, continue to receive training and support from UNODC-PHARE that encourages close regional cooperation and the advancement of professional networks throughout the Balkans. UNODC also operates a program that continues to strengthen the MoI's capacity for intelligence-driven law enforcement. Macedonian police worked with neighbor-country officials on several successful controlled deliveries in 2002.

Law Enforcement Efforts. Anti-narcotics police have benefited from U.S., EU, and UNODC training and support and are focused and effective, despite a high turnover rate among their political-appointed chiefs in the MoI. The election of a new government in September 2002 led to the ouster of a political appointee as head of all organized crime police and the installment of a career officer in that post. The counternarcotics unit continued to operate professionally.

Drug seizures in 2002 decreased by about ten percent over the previous year's total and even more substantially in the quantity of drugs seized. This followed two years of record high seizures. The decreases probably reflected the additional challenges posed to police following the 2001 local insurgency, including a lack of police presence in former conflict areas in Macedonia through the first half of 2002, and a continuing struggle to reassert real control over former crisis areas. Anti-narcotic police clearly understand the need to focus on major traffickers and their primarily ethnic Albanian organizations. They had difficulty doing so in 2002 due to an insufficient number of ethnic Albanian police and the unwillingness of potential ethnic Albanian informants to work with ethnically different counternarcotics police. Law enforcement officials were hampered by the lack of a law to protect potential informants.

In 2002, police arrested members of eight heroin trafficking organizations, three hashish trafficking groups, and one major trafficker of synthetic drugs, bringing charges against 224 persons. Police and customs officials have a restricted mandate: they may only arrest traffickers in the act, with drugs; they may seize vehicles involved in trafficking but not any other assets; they may not intercept phone or other communications lines. A constitutional amendment and a law permitting wiretapping under certain circumstances have been drafted and need to be passed.

Corruption. The GoM does not encourage or facilitate illicit production or distribution of narcotics, or narcotics-related money laundering. The USG has no evidence that any senior official engages in or facilitates illicit narcotics production or distribution or related money laundering. Nevertheless, corruption is deeply entrenched and is accepted by society as a part of doing business. Low salaries encourage graft among police, customs, and other officials. Anti-corruption legislation drafted with technical assistance from the World Bank was adopted in 2002, however, and the new government that came into power post-September won in part due to its anti-corruption platform.

Agreements and Treaties. Macedonia is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs as amended by the 1972 protocol, and the 1971 Convention on Psychotropic Substances. A 1902 extradition treaty between the U.S. and the Kingdom of Serbia, which applies to Macedonia as a successor state, governs extradition between Macedonia and the United States. Macedonia has signed the UN Convention Against Transnational Organized Crime and its protocols in 2000, but has not yet ratified them.

Illicit Cultivation/Production. Macedonia is not a major cultivator or producer of illicit narcotics. There are no reports of local illicit production or refining of heroin or production of illegal synthetic drugs. The small amount of legal opium poppy cultivation that exists is strictly controlled. Registered contractors are

supplied with poppy seeds and Macedonia's only processor buys the poppies and poppy straw. Production is reported to the International Narcotics Control Bureau (INCB) in Vienna. Limited quantities of marijuana are cultivated for personal use in south-eastern Macedonia.

Drug Flow/Transit. Macedonia lies along a southern variant of the Balkan Route, used to ship Southwest Asian heroin to the West European consumer market. Police report that Kosovo is increasingly used as a transit center for heroin and its precursors and that Kosovar Albanian heroin traffickers increased their activities in Macedonia. Macedonia's 2001 insurgency weakened already insufficient law enforcement efforts along the borders with Kosovo, southern Serbia, and Albania; police returned to former conflict areas in northwest Macedonia by mid-2002 but still had inadequate resources to devote to anti-trafficking in these regions by the end of 2002.

Police report that more than 90 percent of large-scale traffickers arrested in Macedonia are ethnic Albanian. The gangs use heavy trucks, vans, buses, and cars laden with at least five to ten kilos on each trip. Local officials say that the quality of heroin produced in Turkey is rising, while the price is decreasing in the Macedonian market.

Seizures of hashish and marijuana from Albania remained constant in 2002. The hashish being produced in Albania is very high quality, and is being shipped to Turkey to exchange for heroin, according to police. At the same time that the quality is increasing, price is decreasing.

The small overall quantity of cocaine that enters Macedonia generally arrives in packages of one to five kilos via airmail or courier through one of Macedonia's two airports. The average price of a kilo of cocaine in Macedonia is between U.S. \$20,000-U.S. \$30,000.

Trafficking in synthetics remains limited in Macedonia but is increasing, as illustrated by the spring 2002 seizure of a single shipment of 18,000 synthetic (captagon) pills. Officials are aware that because production is simple and costs are low Macedonia is vulnerable to synthetics. Most synthetic drugs aimed at the Macedonian market originate in Bulgaria and arrive hidden in small amounts in vehicles. They generally fetch the equivalent of U.S. \$6 per pill in Macedonia.

Domestic Programs (Demand Reduction). Macedonian statistics regarding drug abuse and addiction are unreliable. Most registered drug abusers use marijuana. A lesser, but still substantial number, use heroin, and far fewer have tried other drugs. While police believe heroin abuse is rising, health care officials believe that it peaked in the early 1990s and has remained fairly constant since. Heroin remains Macedonia's biggest drug problem. Cocaine and synthetics abuse is very modest but use of ecstasy is rising, according to healthcare officials.

Macedonia's healthcare and social welfare systems are woefully unprepared to deal with the effects of drug abuse and dependence. Periodic public awareness campaigns generate only simplistic admonishments not to use drugs and do not address the underlying causes of drug abuse or provide real information about its effects. The prevailing societal attitude is that only complete abstinence is acceptable, and demand reduction activities are severally limited. A few local NGOs have made limited efforts at prevention programs. Macedonia has one state-run outpatient clinic for drug abusers, founded in 1985, which dispenses methadone to approximately 307 registered heroin addicts each day. The clinic is presently closed to new patients until its capacity can be expanded. Methadone diversion from treatment centers to the streets is high, according to health care officials. Health care units lack expensive medicines to treat drug overdoses. Evidence indicates that overdoses are officially underreported and may amount to up to 150 non-lethal overdoses per year, according to health care workers. Under current budget constraints drug treatment is likely to remain a low priority.

The criminal code provides for "obligatory psychiatric treatment" for convicts who commit crimes under the heavy influence of narcotics. Limited drug treatment programs are available in both prisons for pre-trial detainees and in regular state prisons. Drug addicts are treated with methadone and those showing more serious mental and physical disorders are placed in the psychiatric hospital.

IV. U.S. Policy Initiatives and Programs

A non-resident DEA Country Attaché based in Thessaloniki has been accredited to Macedonia since 1997. DEA officers work closely with the Macedonian police and provide coordination support for regional counternarcotics efforts. U.S. Customs officials provide technical advice and assistance to the Macedonian customs through the auspices of SECI.

Road Ahead. Because of Macedonia's porous borders and the growing strength of regional, especially ethnic Albanian, narcotics trafficking gangs, Macedonia is likely to face an increased transit of illegal drugs. The U.S. will continue to encourage the police to keep improving regional efforts at tracking large narcotics traffickers and refining their analytical capabilities to prosecute them. The United States will continue to encourage reform of the criminal code, which is a remnant of the Yugoslav system and contains only two very limited sections dealing with narcotics trafficking.

Malta

I. Summary

Malta is a minor player in the worldwide drug trade. Drug trafficking and consumption in Malta are confined to small (but growing) amounts of heroin, cocaine, and MDMA (Ecstasy). Malta is a party to the 1988 United Nations Drug Convention. Malta's current laws and criminal code are in harmony with the goals and objectives of the Convention. Malta's criminal code was updated this year to make conspiracy to commit a crime a major offense. This new law was used in one case to prosecute nineteen people for drug trafficking. The large number of defendants in this case demonstrated the success of the conspiracy law.

Malta's recently created National Drug Intelligence Unit (NDIU) and Special Assistant Commissioner of Police in charge of drug matters have worked to improve coordination and communications among all agencies involved in combating dangerous drugs.

II. Status of Country.

Malta's role in the production, processing, and shipment of narcotics and other controlled substances is minimal. Local police speak with confidence (and from experience) when claiming that Malta's small population makes unwanted trends easy to detect and deter. The only illicit cultivation detected in recent years was a small number of marijuana plants, which have since been eradicated.

III. Country Actions Against Drugs in 2002

Law Enforcement Efforts. The GOM is increasingly concerned over individual narcotics abuse, which is on a steady increase. Authorities also worry about limited-scale (but increasing) local drug trafficking. The drug problem in Malta generally is limited to the sale and use of consumer quantities of illegal drugs. As a result, drug law enforcement in Malta is targeted at street sales. The Police, Customs, and the Armed Forces routinely attempt to interrupt these activities.

Police and Customs also profile and target suspect passengers transiting the airport. Maltese authorities also attempt to prevent the movement of drugs through the sea terminal. Successful monitoring of drugs moving through the Free Port is a difficult task given the high volume of containers. However, authorities have shown they can act decisively when notified by foreign law enforcement authorities of transshipment attempts. There were seizures of 4.5 kilograms of cocaine in 2002, and 625 grams of heroin.

Corruption. There has been a perception among the Maltese public that members of society's elite were "untouchable". Even if this were in fact the case at one time, the perception was shattered this year when the country's Chief Justice and two fellow judges were arraigned on corruption charges for taking bribes from inmates convicted on drug charges. Investigative agencies were able to use newly granted authorities for wiretapping to identify the judges accepting bribes from individuals seeking to win a reduced sentence on appeal of drug convictions. U.S. Customs provided an Integrity/Anti-Corruption seminar aimed at helping Malta develop agency anti-corruption plans, create internal agency controls and develop case studies.

Agreements and Treaties. An extradition agreement between the United Kingdom (Malta's former colonial power) and the United States, signed in 1934 and applicable to Malta as of 1935 remains in force, and has been used in the past to effect extraditions to the U.S. The most recent example involved the 1998 extradition of a Maltese national charged with financial crime. The government of Malta (GOM) and the U.S. are currently negotiating a new bilateral extradition treaty, a Mutual Legal Assistance Treaty, and a Maritime Counter-Narcotics Cooperation Agreement. The USG hopes to finalize all three of these accords in 2003. Malta is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on

Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

Illicit Cultivation/Production. There is no significant cultivation/production of narcotics in Malta.

Drug Flow Transit. Malta's most typical drug problems involve the importation and distribution of small quantities of illegal drugs for individual abuse. At present, there is no indication from any source that Malta is a major trafficking location. Container shipping activity at Malta's large Free Port has the potential for use by narcotics traffickers as a platform for drug movements through the country. This situation should improve early next year when USG provided container-scanning equipment is installed and operational at Malta's Free Port. This equipment will provide Maltese inspectors with a valuable method to detect illicit transshipments including illegal drugs.

Malta has the fourth largest ship registry in the world. Therefore, Malta may feature prominently in future ship interdiction scenarios. Malta is a favored transit point between North Africa and Europe, and visitors from several African countries are the main source for the importation of heroin. Several key traffickers from Libya were recently arrested and jailed.

Domestic Programs (Demand Reduction). A government-funded agency, SEDQA, deals with all treatment/prevention aspects of drug and alcohol abuse. The agency runs awareness and drug education programs in the school system similar to the DARE program in the United States. SEDQA also organizes programs for parents at the agency's headquarters. SEDQA regularly produces commercials on drug awareness and education issues for local television. In addition, CARITAS (a Catholic Church-funded agency) is active in community outreach programs and counseling services related to drug issues. Police officials work closely with Church officials and as a matter of routine will refer arrestees to CARITAS for rehabilitation and counseling services.

A 1999 survey of Malta's population found that 81 percent consider drug abuse to be a serious problem, compared with 43 percent in 1984. Increased public awareness will likely translate into increased public support for interdiction efforts.

In an effort to reduce demand for MDMA and similar drugs among Malta's youth, police maintain a program of 100 percent search for all participants entering "rave parties." Police feel that this effort has been very successful in deterring the use of these types of "party drugs."

IV. U.S. Policy Initiatives and Programs.

The Federal Aviation Administration (FAA), U.S. Customs, and the U.S. Coast Guard have all recently provided training in Malta. In 2001, a U.S. Customs Regional (Malta and Cyprus) Export Control Advisor was established in Valetta. In 2002 the U.S. Customs provided suspicious container identification and monitoring training and also sponsored anti-corruption and integrity training attended by officials from several different GOM enforcement agencies. In 2000, a Defense Attaché's Office was opened at the Embassy in Valetta. Last Year, the Defense Attaché (DATI) sponsored U.S. Coast Guard maritime search and seizure training to the Armed Forces of Malta Maritime Squadron. This year the DATI hosted a U.S. Coast Guard training team that provided Post Security and Cargo Control training. The FAA sponsored a seminar on dangerous cargo and investigative techniques to various GOM agencies and airport personnel.

The U.S. Congress allocated U.S. \$5 Million to procure container-scanning equipment for use at Malta's Free Port. Although the primary purpose for this equipment was to combat the possible shipment of weapons of mass destruction through Malta's Free Port, the equipment will also be able to detect and deter container traffic being used by narcotics traffickers. U.S. Customs also conducted a transshipment workshop to help Maltese officials target and interdict transshipped WMD/dual-use materials in conjunction with the delivery of specialized detection equipment.

Road Ahead. The USG can anticipate continued cooperation from the Maltese authorities in tackling narcotics problems.

Moldova

I. Summary

In 2002, Moldova reorganized narcotics enforcement in an effort to focus efforts, and improve results. The number of law enforcement personnel within the Drug Enforcement Unit dropped slightly as a result of the re-organization. While the quantity of illicit drugs seized in 2002 is roughly similar to that in 2001, the number of criminal proceedings increased substantially as a result of revisions to the criminal code. Accurate statistics on the extent of drug abuse are difficult to obtain in Moldova, as only ‘registered users’ are included in government data. That said, the MOI claims that domestic drug abuse increased by approximately 35 percent last year. During 2002, the United States funded a training course specifically related to narcotics investigations and funded visits by several groups of Moldovan prosecutors, judges, and legislators to learn enhanced prosecutorial, judicial, and legislative techniques directed at combating corruption, money laundering, and organized crime. Moldova is a party to the 1988 UN Drug Convention.

II. Status of Country

Moldova is an agriculturally rich nation with a climate that is favorable for cultivating marijuana and opium poppy. Annual domestic production of marijuana is estimated at several thousand kilograms, with authorities destroying 3,196 kilograms of cannabis plants and 3,635 kilograms of poppy plants through November 2002. The indigenous market for locally produced narcotics remains small, largely confined to production areas or neighboring countries. The importation of synthetic drugs is reportedly on the rise, particularly with regard to Romanian groups that have reportedly begun locating production laboratories for both amphetamines and ecstasy within Moldova. Domestic drug traffickers remain closely connected with organized crime elements in neighboring countries, whose involvement in Moldova includes not only narcotics trafficking but trafficking in women as well. Seizures of all drugs are on the increase. Moldova is not an important factor in the production of any precursor chemicals.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Despite severe material and resource constraints, Moldova strives to fulfill all obligations under the 1988 UN Drug Convention and other UN drug agreements to which it is a party. Moldova continues to refine its criminal code, including sections detailing narcotics offenses. In 2002, the penalties for trafficking rose to a maximum of 25 years in prison, while ancillary amendments now permit Moldovan authorities to charge and bring to justice those not directly involved but who aid and/or abet narcotics traffickers. As a result of the reorganization creating the Center for Combating Economic Crimes and Corruption (CCECC), the Drug Enforcement Unit now contains a total of 117 officers nationwide, with 96 serving around the country supported by 21 individuals in headquarters and support units. All of these personnel are dedicated exclusively to counternarcotics activity. Moldova also continues to pursue, with U.S. support, improvements in border control that should lead to a decrease in the flow of illicit goods, including narcotics.

Accomplishments. Despite the lack of even the most rudimentary equipment such as vehicles, counternarcotics units did their best against traffickers and illicit substance cultivators.

Law Enforcement Efforts. Moldovan authorities initiated over 2,331 drug related cases in the first 11 months of 2002, as compared to 1,912 cases during the same timeframe in 2001. This year, 1,509 kilos of poppy straw, and 17 kilos of opium were seized, as opposed to 1,682 kilos of poppy straw and 17 kilos of opium in 2001. Total arrests through November 2002 reached 1,408, including 29 foreigners. In addition, seven clandestine labs producing morphine base were located and destroyed in 2002, a decrease from the

15 labs destroyed in 2001 (13 producing morphine base and two producing ephedrine). With evidence suggesting that transit countries historically become user countries, Moldova will need to invest significant resources into education, border enhancement, and law enforcement initiatives if it hopes to stem the steady growth of its user population.

Corruption. The Center for Combating Economic Crimes and Corruption was created earlier this year at the behest of President Voronin. This Center, independent from the MOI, is authorized to investigate all allegations of corruption, including those related to narcotics. The Government of Moldova, as a matter of policy, does not encourage or facilitate the production or distribution of drugs or launder proceeds from illegal drug transactions. Neither do any senior officials, to the USG's knowledge. U.S. Customs delivered an integrity awareness/anti-corruption seminar during 2002, to include assistance with formulating agency anti-corruption plans, case studies and internal controls.

Agreements and Treaties. Moldova is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as well as its 1972 Protocol. Moldova also has bilateral agreements with the Ukraine (1992), Turkey (1994), and Hungary (1997) related to cooperation against narcotics activity, terrorism, and organized crime. Moldova is also party to a 2000 agreement among members of the CIS to fight illicit trafficking in narcotics, psychotropic substances, and their precursors.

Drug Flow/Transit. Seizures over the past 11 months continue to indicate that Moldova remains primarily a transshipment country for narcotics. While historically viewed as an avenue for narcotics moving from Central Asia to Europe (westward) and for precursor chemicals moving eastward, recent arrests of Moldovans in Western Europe and Russia indicate that refined narcotics are now moving to the east as well.

Domestic Programs. Treatment for Moldova's 6,940 officially registered addicts remains an option only for the wealthiest of offenders. Financial constraints and deteriorated facilities restrict rehabilitation and treatment efforts by the Moldovan government. NGO's have traditionally provided some limited funding for counternarcotics information and education campaigns.

IV. U.S. Policy Initiatives and Programs

The USG's counternarcotics program in Moldova includes training initiatives designed to improve the abilities of police to investigate and infiltrate organized crime and narcotics syndicates, and perhaps some investigative and life-safety equipment to various segments of the MOI, including the Drug Enforcement Unit. Other programs focus on customs and border improvement programs aimed at strengthening Moldovan border controls, thus reducing the flow of illegal goods through Moldova. Previously funded forensic equipment is now ready for delivery and should advance investigators' abilities to analyze and present narcotics-related evidence at trial.

Road Ahead. Moldova is located in a "bad neighborhood"; drug trafficking through Moldova, and drug abuse among its citizens presents a real threat. The U.S. will try to assist Moldova's own efforts by continuing to provide training in Moldova itself and at ILEA Budapest.

Netherlands

I. Summary

Despite intensified efforts by the Dutch government to combat production of and trafficking in narcotic drugs, the Netherlands continues to be a major transit point for drugs entering Europe, an important producer and exporter of amphetamines and synthetic drugs, notably MDMA (“Ecstasy”), and an important consumer of most illicit drugs. In 2001 (latest available figures), the inter-agency law enforcement Synthetic Drugs Unit (USD) listed a total of 678 seizures of Dutch-related synthetic drugs, of which 20 percent took place in the Netherlands and 80 percent in other countries. The volume of Dutch-manufactured MDMA (Ecstasy) smuggled to the U.S. during 2002 continued to be alarmingly high. Law enforcement information indicates that the Netherlands is by far the most significant source country for Ecstasy in the United States.

There were several promising political and operational developments in 2002 that may lead to progress against Ecstasy in 2003. The government of Prime Minister Balkenende, which took office in June 2002, is implementing new counternarcotics programs, building on the previous government’s five-year strategy (2002-2006) against production, trade and consumption of synthetic drugs. A nationwide network of five special Ecstasy police teams became operational in 2002. Government export controls for dual-use synthetic drugs have been intensified, and the special Schiphol airport team of customs and military police officers has been expanded. Special measures have been taken to fight cocaine trafficking by couriers through Amsterdam’s Schiphol Airport. There is close Dutch-U.S. cooperation on joint counternarcotics operations in the Caribbean. In December 2002, the government submitted a plan to the parliament to establish a centralized criminal investigative service—a “Dutch FBI”—with international joint efforts against narcotics trafficking as its lead mission.

Dutch popular attitudes toward soft drugs (such as cannabis) remain tolerant to the point of indifference. Government and NGO education efforts on the dangers of Ecstasy made some headway in 2002. The Dutch government and public view domestic drug use as a public health issue first and a law enforcement issue second. According to the 2002 National Drug Monitor, overall drug use has gone up since 1997. However, the number of opiate addicts, estimated at between 26,000-30,000, remained stable and low compared to other EU countries. The Netherlands is a party to the 1988 UN Drug Convention.

II. Status of Country

The central geographical position of the Netherlands, with its modern transportation and communications infrastructure and the world’s busiest container port in Rotterdam, makes the country an attractive operational area for international drug traffickers and money launderers. Production of amphetamines, Ecstasy and other synthetic drugs, and marijuana is significant. The Netherlands also has a large chemical sector, making it an attractive location for criminals to obtain or produce precursor chemicals used to manufacture illicit drugs.

The Dutch Opium Act punishes possession, commercial distribution, production, import, and export of all illicit drugs. Drug use, however, is not an offense. The act distinguishes between “hard” drugs that have “unacceptable” risks (e.g. heroin, cocaine, Ecstasy), and “soft” drugs (cannabis products). Trafficking in the former is prosecuted vigorously. “Hard” drug dealers are subject to a prison sentence of 12 years. When trafficking takes place on an organized scale, another one-third of the sentence is added (16 years). However, in practice it is rare for courts to impose maximum sentences, and it is typical to serve only two-thirds of a sentence, meaning that the maximum time served would be 11 years, even for the head of a major trafficking organization. Sales of small amounts (under five grams) of cannabis products are “tolerated” in “coffeeshops” operating under regulated conditions (no minors on premises, no alcohol

sales, no hard drug sales, no advertising, and no “public nuisance”). One of the aims of this controversial policy is to separate the markets for soft and hard drugs so that soft drug users are less likely to come into contact with hard drugs. Another goal—perhaps less successful—has been to separate “revenue streams” so that hard drug dealers do not use soft drug dealing as a source of capital.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The new Dutch coalition government, which was formed in July 2002, announced plans to fight the production of and trafficking in drugs more severely. The coalition accord covering the government’s intentions for the next four years, included proposals for a stricter enforcement of the rules for “coffeeshops,” higher sentences for repeat offenders, a ban on on-the-spot testing of Ecstasy pills at rave parties, and a ban on the further expansion of an experiment in which heroin is distributed under medical supervision to a limited group of hard-core addicts. The government plans to establish a national criminal investigation department to “enhance efficiency and effectiveness of criminal investigations”. The new department, which is to become operational in the Spring of 2003, will combine the current six central police teams, the national criminal investigation team, the Synthetic Drugs Unit (USD), the Trafficking in People Unit, and the five Ecstasy teams. Top priority will be given to international cooperation in the fight against organized crime, in particular the production of and trafficking in synthetic drugs.

Cocaine Couriers. In January 2002, the Justice Ministry announced a major offensive against drug smuggling via Schiphol Airport from the points of origin in the Netherlands Antilles and Aruba. The plan (estimated costs some U.S. \$50 million per year) includes intensified controls at airports, an expansion of the capacity of customs, military police, the public prosecutor’s department, courts and prisons. In September, the Ministry noted that, since early 2002, more than 1,300 drug couriers had been arrested at Schiphol, and security officials had recommended to carriers that another 3,000 suspected couriers be denied boarding during pre-flight controls at Schiphol and Curacao. Justice Minister Donner noted that this had put a heavy burden on the Dutch judiciary, forcing him to take new measures that would put the burden of prosecution and incarceration on the originating state. One of these measures was the immediate repatriation of foreign drug mules caught with small quantities of drugs. Prior to this change, drug couriers were simply given a summons to appear in court at a later date (with little expectation that any would actually present themselves at court).

During a parliamentary hearing in October, the Schiphol airport police reported that approximately 25,000 drug couriers arrive at the airport per year, of whom about one-third are “bolita” swallows. Although only 10 percent are arrested, the public prosecutor’s office responsible for Schiphol said that it had been forced to dismiss thousands of “normal” criminal cases in recent years due to the overwhelming number of drug offenses. This “disproportionate” burden on the entire Dutch judiciary chain has led to calls for a “fundamental debate about law enforcement priorities.” Justice Minister Donner, however, does not intend to change his policy toward drug couriers, believing that a softer line on couriers would encourage even more trafficking.

Ecstasy Offensive. In May 2001, the government published a special five-year (2002-2006) action plan against production, trade, and consumption of synthetic drugs. The current government which assumed office in June 2002 has continued and built upon this strategy. According to the Health Ministry’s “Progress Report on Drug Policy” of October 2002, the following measures are being or have been implemented in 2002:—Five special police Ecstasy teams (total manpower: 90) have become operational in the course of the year. They conduct criminal investigations and respond to legal assistance requests. Capacity of the national Unit Synthetic Drugs (USD), the public prosecutor’s office and the judiciary has been expanded to handle more cases;

- The USD and the prosecutor’s office want to strengthen cooperation with countries playing an important role in Ecstasy trade. The USD will organize international training

courses for foreign law enforcement departments. This initiative is supported by the European Commission.

- Efforts to seize Ecstasy in the Netherlands before export have been intensified. The special Schiphol team of customs and military police has been expanded. Customs Schiphol will receive an additional scanning machine to check outgoing parcels, and Schiphol, Eindhoven and Rotterdam airports will receive extra drug dogs;
- Controls on dual-use chemical precursors have been stepped up through increased manpower with the Economic Control Service (ECD), and improvement of operations by the ECD and the Fiscal Information and Investigation Service (FIOD);
- The risks of Ecstasy use are being assessed by the Leiden University Medical Center on the basis of national and international research. Studies about the neurotoxicity of Ecstasy are also underway.

Cannabis. The sharp decline in the number of coffeeshops between 1997 and 2000 (from 1,179 to 813) leveled off in 2001 to 805, of which about 50 percent are located in the Netherlands' four largest cities. According to the 2002 National Drug Monitor, some 73 percent of the 504 municipalities in the Netherlands do not tolerate any shops at all.

The Drug Monitor shows that the number of recent (last-month) cannabis users in the Dutch population over the period 1997-2000 rose from some 326,000 to 408,000, or 3 percent of the Dutch population of 12 years and older (of a total population of 16 million). The largest increase is reported among adolescents aged 20-24, while use among the 12-15 year-old age group remained limited and hardly changed from 1997. Lifetime prevalence (ever used) of cannabis among the population of 12 years and older rose from 15.6 percent in 1997 to 17 percent in 2001. The average age of recent cannabis users is 28 years. The THC content in Dutch-grown hemp "Nederwiet" stood at 10.3 percent in September 2001, from 11.3 percent in 2000. Controls on illegal home cultivation of "Nederwiet" have been stepped up.

Enforced Treatment. As of April 2001, criminal drug addicts who are repeat offenders can be sent to special drug-offender prisons for two years, during which they receive treatment, job training and re-socialization. Addicts refusing to be treated are sent to an ordinary prison. The program is meant to get so-called "revolving-door" criminals, mostly petty thieves, off the street and rehabilitated. The preliminary results of the experiment, which will be evaluated in 2003, appear to be positive. Currently, there are about 126 participants in the program.

Measures Against Other "Club" Drugs. In October 2002, the Health Minister placed GHB, in the Netherlands called a "rape" drug, on list 2 (listing "soft" drugs) of the Dutch Opium Act, making it an illegal narcotic drug. Previously, GHB had been a legal anaesthetic falling under the Medicine Act. Possession of GHB will henceforward be punishable. The Dutch government also placed 4-MTA and PMMA on list 1 ("hard" drugs) of the Opium List.

The Dutch "Ecstasy Offensive" includes an action plan to encourage prevention education, monitoring and research of "club" drugs. The Coordination Point Assessment and Monitoring of New Drugs (CAM) researches the risks of new drugs and reports results to the European Monitoring Center for Drugs and Drug Addiction (EMCDDA). The Drug Information and Monitoring System (DIMS) monitors changes in the users market, and reports drugs having acute health risks.

Accomplishments. The current government has put more emphasis on fighting organized crime, including international drug trafficking and production. The increased efforts have had significant effects on the Dutch judiciary. The 2002 National Drug Monitor concludes that:

- One out of 20 criminal offenses involves a violation of the Opium Act;
- About 25 percent of the total number of years imposed as prison sentences in criminal cases are drug offenses;

- Two out of three criminal investigations into serious forms of organized crime involve the production, transport and trafficking of drugs;
- Drug-related cases have taken up more cell capacity than before, which is partly due to intensified police controls at airports;
- About one in seven to eight criminal cases is attributable to drug users, primarily those using heroin and/or crack cocaine. Most drug users are arrested for property crimes;
- The likelihood of recidivism in this group is high. Three quarters of all drug users arrested in 2001 had been charged 11 times or more.

The government's offensive against synthetic drugs, particularly the establishment of five new counternarcotics teams, reflects the Netherlands stated determination to gain the upper hand in the fight against production and trafficking.

Law Enforcement Efforts. Overall drug policy is coordinated by the Health Ministry, while the Ministry of Justice is responsible for law enforcement. Matters relating to local government and the police are the responsibility of the Ministry of Interior. At the municipal level, policy is coordinated in tripartite consultations among the mayor, the chief public prosecutor and the police.

Drug seizure figures indicate a substantial decrease in domestic Ecstasy seizures from 2000 to 2001. This drop is attributed by Dutch police to (1) a shift in seizures to delivery points abroad due to intensified international cooperation; (2) by some law enforcement sources to inadequate Dutch operational performance in 2001; and (3) by some sources to incomplete record keeping. Preliminary figures for 2002 suggest improvement, in part attributable to the establishment of the regional Ecstasy teams. Both of these explanations underscore the rationale for the new regional Ecstasy teams and the potential value of the central investigative department, meant to address the coordination issue, to focus police resources more intently on disruption of production, and to accelerate international cooperation.

Perhaps most promising of all the steps taken this year, in December 2002 the government submitted a plan to establish a centralized criminal investigative service – often referred to by observers, but not by the government, as a “Dutch FBI”—with international joint efforts against narcotics trafficking as its lead mission. The increasing internationalization of the synthetic drug problem has led to increases in U.S. (and other international) requests for information from Dutch law enforcement. Coordination of foreign law enforcement information requests would benefit from greater centralization, particularly if establishment of the new unit is accompanied by establishment of streamlined new guidelines for coordination with foreign liaison officers. Currently, all foreign requests for police assistance are sent to a regional intelligence department, the DIN (Dienst Internationale Netwerk, or International Service Network—previously called the CRI—which coordinates requests but has no operational investigative or analytic role.

An example of the difficulty posed by the regional diffusion of responsibility is the precursor chemical problem. Because precursor chemicals have their origins outside Dutch territory—mainly in China—and because numerous separate production sites are located throughout the Netherlands, it is often difficult for foreign authorities to find a police region with clear-cut responsibility for handling a specific case. There is no sharing of intelligence with foreign counterparts regarding precursor chemicals..

Corruption. The Dutch government is committed to fighting national and international corruption. The government of the Netherlands does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the government of the Netherlands is known to engage in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Press reports of low-level law enforcement corruption appear from time to time but the problem is not believed to be widespread.

Agreements and Treaties. The Netherlands is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 Single Convention on Narcotic Drugs, and the 1972 Protocol amending the Single Convention. The U.S. and the Netherlands have fully operational extradition and mutual legal assistance agreements, and Dutch law allows for the extradition of Dutch nationals. However, in 2002 bilateral cooperation on extradition was inhibited when some Dutch courts deferred decisions in U.S. extradition cases in response to erroneous defense assertions of delays in repatriating Dutch citizens seeking to serve their sentences in the Netherlands; and of claimed pressure on purportedly innocent Dutch defendants to plead guilty in order to receive reduced sentences in U.S. courts. U.S. and Dutch officials consulted on means of overcoming this misimpression—which had led by the end of the year to a de facto suspension of extraditions to the U.S.—to get extraditions back on track.

Cultivation and Production. About 75 percent of the Dutch cannabis market is Dutch-grown marijuana (“Nederwet”). Indoor cultivation of hemp is completely banned, even for agricultural purposes. Amsterdam University researchers, however, estimate that the Netherlands has at least 100,000 illegal home growers of hashish and marijuana, and the number is increasing. Together they produce more than 100,000 kilos of soft drugs and are the largest suppliers of coffeeshops, according to the study. It is Dutch government policy to give top priority to the investigation and prosecution of large-scale commercial cultivation of Nederwiet. However, the long-standing Dutch policy of criminalizing production while tolerating commerce at the coffee shop level poses an impediment to the control of cannabis. Tolerated coffee shop sales create the demand for large-scale commercial cultivation, which the Dutch government then must pursue and prosecute.

The Netherlands remains one of the world’s largest producers of synthetic drugs. Statistics are imperfect but nevertheless telling. U.S. law enforcement information indicates that most MDMA tablets consumed in the United States are produced in the Netherlands. In 2000, a total of 8.9 million MDMA tablets were either seized in the U.S. – or seized in Europe destined for the U.S. – with a direct nexus to the Netherlands. In 2001, DEA seized approximately 9.5 million MDMA tablets domestically. From case-derived intelligence, DEA believes the great majority of these tablets were manufactured in the Netherlands. Some Dutch officials suggest that much of this MDMA is transiting the Netherlands rather than produced there, but evidence to support this assertion is lacking.

Clandestine laboratories in the Netherlands tend to be large and sophisticated, capable of producing 20 to 30 KG of Ecstasy per day. In 2001, the USD listed a total of 678 seizures of synthetic drugs with a Dutch connection, of which 20 percent took place in the Netherlands and 80 percent in other countries. In the Netherlands, this amounted to 136 separate seizures and in the rest of the world, 34 countries, 542 seizures. In 2001, more than 25.6 million MDMA pills, which can be linked with the Netherlands, were seized throughout the world. Coupled with Interpol figures on world seizures of Ecstasy for that year (over 37 millions), this amounts to approximately 68 percent). Of the 25.6 million Ecstasy pills, the largest amount was seized in the UK (6 million pills), followed by Germany (4.3 million), the U.S. (almost 4 million), the Netherlands (3.6 million), Canada (2.7 million) and France 1.3 million). The USD reported more amphetamine seizures domestically in 2001 than in 2000, but the quantity of “Dutch-related” amphetamine seized in other countries dropped. The increase in the Netherlands was confirmed by the rise in the number of amphetamine production sites discovered and increased BMK seizures. In 2001, the USD dismantled 35 production sites for synthetic drugs, of which 10 were associated with amphetamine production. In the Netherlands, Israeli criminal organizations play a key role in the Ecstasy trade.

Drug Flow/Transit. The Dutch government has stepped up border controls to combat the flow of drugs. Cannabis and cocaine seizures rose in 2001 compared to 2000. Most cannabis was found in Rotterdam port (7,823 kilos), and most cocaine at Schiphol airport (4,084 kilos). Confronted with an explosive growth in the number of drug couriers at Schiphol, the government mounted a special counternarcotics offensive in January 2002 (see above). In March 2002, the “Mercure” international customs control operation was aimed at fighting synthetic drug trafficking by outgoing passengers on flights to the U.S., Canada and Australia. The operation was organized by the Dutch customs in cooperation with their French and German colleagues. The government has expanded the number of

container scanners in the port of Rotterdam and at Schiphol airport. Controls of highways and international trains connecting the Netherlands to neighboring countries were also intensified.

Demand Reduction. The Netherlands has a wide variety of demand-reduction and “harm-reduction” programs, reaching about 80 percent of the country’s 26,000-30,000 opiate addicts. The number of opiate addicts is low compared to other EU countries (2.6 per 1,000 inhabitants); and has stabilized over the past few years, with the average age rising to 40, and the number of overdose deaths related to opiates stabilizing at between 30 and 50 per year. Needle supply and exchange programs have kept the incidence of HIV infection among intravenous drug users relatively low. Of the addicts known to the addiction care organizations, 75 percent regularly use methadone.

According to the 2002 National Drug Monitor, the out-patient treatment centers registered some 26,605 drug users seeking treatment for their addiction in 2000, compared to 26,333 (2001). The number of cannabis and opiate addicts seeking treatment has stabilized at 3,443 and almost 15,544, respectively. Statistics from drug treatment services show a sharp increase in the number of people seeking help for cocaine problems (representing an increase of 49 percent between 1994 and 2000). Two out of three people seeking help for cocaine problems are crack cocaine users. The average age of drug “clients” was 39 years. Total costs of Dutch drug treatment programs are put at 100 million dollars.

Prevention. Drug prevention programs are organized through a network of local, regional and national institutions. Schools are targeted in efforts to discourage drug use, while national campaigns are conducted in the mass media to reach the broader public. The Netherlands requires school instruction on the dangers of alcohol and drugs as part of the health education curriculum. The Netherlands Institute of Mental Health and Addiction (the Trimbos Institute) has developed a project in the field of alcohol and drugs in the context of teaching “healthy living” in classrooms. About 75 percent of Dutch secondary schools participate in the project. In October 2002, the Health Ministry and the Trimbos Institute launched the new mass media campaign “Drugs, Don’t Kid Yourself”, providing drug information to parents, teachers and students. The 24-hour national Drug Info Line of the Trimbos Institute has become very popular. In 2001, it was called about 85 times per day.

Treatment Methods. The Health Ministry has made an assessment of three experiments for the treatment of heroin addicts. The so-called heroin experiment, with which heroin is medically prescribed to a limited group of heroin users for whom all other forms of treatment have failed, has proven successful. The 550 participating addicts appeared to be in a much better physical and mental condition than before they were in the program, and they also appeared to have reduced their criminal activities. However, the current government has banned an expansion of the experiment. The second experiment, the treatment with higher methadone dosages, proved beneficial to a certain group of troublesome drug users, and will be included in the regular treatment protocols. The third experiment, under which drug addicts were detoxified with Nalrexon under full narcosis, has not proven more effective than treatment with Nalrexon without an anaesthetic, and will, therefore, be discontinued.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Despite a positive tenor to operational cooperation between U.S. and Dutch law enforcement agencies, concern continues among U.S. law enforcement officials over the Netherlands’ role as the key source country for MDMA/Ecstasy entering the U.S. The U.S. Embassy in The Hague has made the fight against the Ecstasy threat one of its highest priorities. The second round of bilateral law enforcement talks are expected to be held in The Hague in 2003. In preparation for these talks, new steps to strengthen operational cooperation are under discussion, such as streamlining the process of information requests, permitting more direct contact between DEA and the regional police, and organizing seminars on U.S. judicial structure for Dutch prosecutors. Establishment of a U.S. Customs office in Rotterdam in 2002 should help facilitate coordination on counternarcotics issues.

The United States and the Netherlands cooperate closely on law enforcement activities. The USG is also working with the Kingdom to assist Aruba and the Netherlands Antilles in countering narcotics trafficking.

Since 1999, the Dutch Organization for Health Research and Development (ZonMw) has had a cooperation agreement with NIDA on joint addiction research. Since then, the two have organized various workshops and have financed joint research projects on addiction. The next bilateral workshop will be held in the Netherlands in April 2003.

The Road Ahead. U.S.-Dutch bilateral law enforcement cooperation should continue to intensify in 2003. The Dutch government's Ecstasy Action Plan should advance counternarcotics efforts. The Dutch Synthetic Drugs Unit will continue to make concrete progress. The establishment of a central police investigative body in the Spring of 2003 will likely boost cooperation on international investigations, including Ecstasy cases, if the Dutch government agrees to streamlined procedures for its cooperation with foreign law enforcement liaisons. The U.S. will work with the Dutch government to dispel judicial misunderstanding of the U.S. judicial system, with the goal of re-establishing smooth extradition procedures in accordance with existing treaties and agreements.

Norway

I Summary

While in 2002 illicit drug production in Norway remained insignificant, demand for illegal drugs rose. The Norwegian Police Directorate unveiled a comprehensive 2003-2008 counternarcotics action plan to strengthen existing police counternarcotics activities. Norway continued to tightly control domestic sales, exports and imports of precursor chemicals. In 2002, the number of drug seizures in Norway rose significantly (14 percent) on a continuing trend, with cannabis seizures accounting for the bulk of the seizures (36 percent) followed by various types of synthetic stimulants (ATS). Norway is a party to the 1988 UN Drug Convention.

II. Status of The Country

According to police and Ministry of Health and Social Affairs officials, illicit drug production in Norway remained insignificant in 2002 because of Norway's tight regulations governing domestic sales, exports and imports of precursor chemicals, and harsh climate conditions. Norway remains a popular market and transit country for drugs produced in central/eastern Europe and elsewhere, but the strong increase in narcotics seizures may be helping curb this problem. Norway is unlikely to become a significant producer of precursor chemicals because of the country's effective regulatory framework and excellent law enforcement.

III. Country Actions Against Drugs in 2002

The Norwegian Police Directorate (PST), a part of the Justice Ministry, unveiled a comprehensive 2003-2008 counternarcotics action plan to strengthen Kripos', the National Bureau of Crime Investigation, existing counternarcotics activities. According to the PST, the action plan will focus on reducing domestic drug abuse, identify and curb illicit drug distribution, and curb drug abuse among drivers of motor vehicles. The action plan is a continuation of measures earlier initiated by the Justice Ministry to meet the objectives of the 1988 UN Drug Convention. Norway continues to cooperate closely with police forces in Nordic and other countries on drug cases.

In 2002, Norway's Customs and Excise Directorate continued implementing its own counternarcotics plan aimed at curbing drug imports, and seizing illicit drug money and chemicals used in narcotics production. The customs directorate which has established a mobile narcotics control unit (including narcotic detection dogs) has strengthened its surveillance and continues to coordinate its efforts with the police and the Coast Guard.

Law Enforcement Efforts. According to statistics compiled by Norway's criminal police (Kripos-Criminal Police), marijuana seizures have roughly doubled in the last two years (from 644 KG in 2000 to 1276 KG in 2002), while heroin seizures have been roughly constant since 2000 (2000-52; 2001-68; 2002-44). Both cocaine and ATS seizures have risen sharply during the last several years (ATS-2000-524 KG; 2002-1245 KG; and Cocaine-12 KG to 45 KG). In 2002, Ecstasy seizures more than doubled from two years earlier (49 KG to 134 KG). Law enforcement efforts were also stepped up, resulting in a record number of persons charged with narcotics-related crimes during 2002.

Corruption. Corruption is a specific criminal offense in Norway. Bribes offered abroad by Norwegians make them criminally culpable in Norway. Norway is regarded as being one of the countries in the world with the least amount of corruption. In the past five-year period, "Oekokrim" (Norway's Corruption Watchdog Agency) has investigated an average of five new corruption cases per year. Private sector

corruption in Norway is usually related to bribes to influence purchasing decisions. There is no evidence corruption in Norway influences narcotics trafficking.

Agreements and Treaties. Norway is a party to the 1988 UN Drug Convention. Norway and the United States have a bilateral extradition treaty. Norwegian counternarcotics authorities cooperate frequently with their counterparts in the Nordic countries on narcotics cases, and on a case-by-case basis with the U.S.

Cultivation/Production. In 2002, illicit cultivation of drugs remained very limited in Norway due to the country's harsh climate and laws governing drugs and drug distribution. Very small quantities of Norwegian-grown cannabis were reportedly detected concealed as houseplants in private premises.

Drug Flow/Transit. According to Kripas, the inflow of illicit drugs continued to increase in 2002 with cannabis, and ATS in the lead. Most illicit drugs are entering Norway by road from other European countries such as the Netherlands, Belgium, Germany and central and eastern Europe (Poland and Hungary). As in the past, some drugs have been seized in commercial vessels arriving from the European continent and Central/South America. Former Yugoslav nationals, granted asylum in Norway and resident there, reinforced their prominent position in Norway's illicit drugs market.

Domestic Programs/Demand Reduction. The Prime Minister and government have increased counternarcotics and demand reduction efforts with the launch in February 2002 by the Prime Minister of a National Counter-Narcotics Day. An inter-agency conference was held in October between Justice, law enforcement and customs agencies to discuss cooperation on prevention and detection of narcotics. In June 2002, Norway's parliament approved a proposal to establish "hypodermic syringe rooms" where drug addicts can inject themselves under supervision to reduce injuries and deaths, and reduce the danger of AIDS. The first such "hypodermic syringe rooms" are expected to be operative in early 2003. Hypodermic syringes continue to be distributed free to drug addicts from a so-called "syringe bus" in Oslo. About two million syringes are distributed annually.

Norway's Ministry of Defense continues to implement programs to reduce narcotics abuse in the armed forces by conducting seminars and distributing counternarcotics information. On private and local government levels, several counternarcotics campaigns were launched in 2002. Illustratively, the Norwegian drug abuse association launched a campaign in June 2002 to help and advise families of drug abusers. According to the Ministry of Health and Social Services, the relatively large number of drug-related deaths in Norway (approximately 300 per year) suggests that treatment and prevention need further strengthening to become effective. While the maximum penalty for a narcotics crime in Norway is 21 years imprisonment, penalties for carrying small amounts of narcotics remain mild from a global perspective.

IV. U.S. Policy Initiatives and Programs.

The USG has no counternarcotics assistance programs in Norway. DEA officials consult with Norwegian counterparts when required.

The Road Ahead. The U.S. and Norway will continue to cooperate on narcotics issues in international fora and on narcotics cases which impact both countries.

Poland

I. Summary

Poland's improving economic status and emergence as a key player in Central Eastern Europe has led to a growth in the country's domestic market for narcotics, as well as the amount of narcotics transiting Poland to the European Union and beyond. Not only are Polish law enforcement officials faced with a steady stream of narcotics from the east and Latin America, they are also dealing with large quantities of domestically-produced amphetamines. Poland continues to make strides in breaking up organized crime syndicates involved in drug trafficking and finalized a new National Program for Counteracting Drug Addiction in July 2002. Although it is a well-organized and ambitious plan to fight narcotics trafficking and reduce demand, no budget has been allocated for its implementation. Poland is a party to the 1988 UN Drug Convention.

II. Status of Country

Poland continues to be a major center for synthetic drug production, particularly amphetamines. The drug Ecstasy (MDMA) is produced in large quantities in Poland, and law enforcement officials estimate that Poland is one of the leading suppliers of amphetamines to European markets. Poland is also a major producer of precursor chemicals, as well as being a transshipment route from eastern suppliers of precursors and narcotics, particularly from Ukraine and Turkey.

Poland has an estimated 30,000 to 70,000 drug addicts with the drugs of choice being cannabis, amphetamines and heroin (for smoking). Drug abuse and drug-related crime are increasing in Poland and represent a serious problem. In recent years, Poland has seen significantly lower ages for first time drug users, as well as a much wider variety of illegal drugs available on the local market. However, this trend has leveled off somewhat in 2002.

Although there are more than 400 criminal groups operating in Poland, the drug trade is largely controlled by just three syndicates, operating in the Warsaw area, Krakow and Gdansk. Poland's law enforcement community has had marked success in breaking up drug smuggling operations, specifically cocaine from South America, and is continuing to improve its ability to identify and locate locally produced narcotics, much of which comes from mobile clandestine laboratories.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In July 2002, the Polish cabinet approved the National Program for Counteracting Drug Addiction. The plan covers the period from its adoption in 2002 through 2005 and is designed to bring Poland in compliance with EU rules. The Program focuses on a narcotics strategy balanced between demand and supply reduction activities.

Demand reduction objectives of the plan include reducing the spread of drug use, limiting the spread of HIV infections connected with drug use, and improving the quality and effectiveness of treatment. On the supply side, the Program seeks to improve training and coordination between various Polish law enforcement authorities, including the Central Bureau of Investigation (CBI) and the border guards. However, no independent budget line item has yet been approved to finance the implementation of the program. Rather, individual ministries are funding the program out of existing counternarcotics budgets—at levels they feel are inadequate to accomplish all of the program's targets.

Accomplishments. The U.S. Drug Enforcement Administration (DEA) and the Polish Central Investigation Bureau (CBI) cooperation led to the seizure of over 400kilograms of cocaine in 2002, an amount sufficient for 1.2 million doses, at Poland's Gdansk seaport. This was the largest seizure of

cocaine in Poland since 1992. It is also noteworthy for exposing a new transport route that bypasses traditional transit countries such as the Netherlands for South American cocaine bound for Poland. Polish law enforcement officials, with assistance from the DEA, are also nearing completion of a major effort which targets the illicit importation and diversion of sassafras oil. This oil is essential to the production of Ecstasy.

Law Enforcement Efforts. The Polish government has completed its reorganization of the CBI (Polish FBI equivalent). U.S. law enforcement agencies (FBI and DEA) report continued, uninterrupted and excellent working relationships with their Polish counterparts.

Corruption. Poland's commander of the Polish National Police, Antoni Kowalczyk, together with the Ministry of the Interior, continue to make anti-corruption efforts an important part of their programs. A comprehensive inter-ministerial anti-corruption plan was adopted by the Government in September, 2002. The plan is detailed and contains strict timelines for legislative action and for the implementation creation of strict and transparent anti-corruption procedures within each individual ministry. While instances of small-scale corruption—bribery to facilitate smuggling, etc.—are prevalent at all levels within the customs service and among police, the USG is not aware of large-scale corruption that facilitates the production, processing or shipment of narcotic and psychotropic drugs and other controlled substances.

Polish National Police internal affairs offices and the CBI continue their increased efforts to investigate that kind of small-scale corruption which impedes or discourages police investigations or prosecution. The number of cases investigated and successfully prosecuted relative to the number of reported incidents, however, remains low.

Agreements and Treaties. In October, 2001, Poland signed the UN Convention on Organized Crime. Increased drug seizures and a higher prosecution rate demonstrate Poland's commitment to these agreements. Poland is a party to the 1988 UN Drug Convention. An extradition treaty and a mutual legal assistance treaty (MLAT) have been in force between the U.S. and Poland since 1999.

Drug Flow/Transit. The synthetic drugs available on the domestic Polish market are primarily manufactured in Poland. The precursor chemicals for these drugs, however, are usually imported from other countries. Heroin, hashish, and cocaine, besides being consumed on the local market, frequently transit Poland en route to Western Europe. However, police say they lack a basis to estimate with any precision the amount of illegal drugs flowing through Poland.

Domestic Programs (Demand Reduction). The Law on Counteracting Drug Addiction requires the Ministry of Education to provide a drug prevention curriculum for schools and to provide support for demand reduction projects based on a community approach. In response to this requirement, the Government has developed a drug prevention curricula for schools which consists of 23 separate programs for different age groups. This curriculum comprises part of the Program of Prevention of Problems in Children and Young People, a national program, in place since September 2002, that educates students on a range of social ills including drugs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. provides some ad hoc seminars and train-the-trainer programs in Poland, conducted by the Drug Enforcement Administration. Participants have reported that these programs helped facilitate cooperation and improve the proficiency of Polish investigators. This argues for their continuation, and perhaps, even an intensification of them.

Bilateral Cooperation. DEA maintains close contact with Polish law enforcement officials on narcotics matters. Two full-time agents from the Federal Bureau of Investigation posted in Warsaw also assist narcotics control efforts, as their other duties permit. In addition to numerous liaison meetings between DEA officials and their Polish counterparts, in 2002 there were seven, mainly USG-financed, law enforcement training courses, many of which provided direct or indirect instruction that will facilitate the

Polish government's counternarcotics efforts. In addition, in November 2002 the GOP signed a Letter of Agreement with the United States to provide over U.S. \$1.3 million in State Department assistance to Poland's law enforcement community. Much of this assistance will directly or indirectly improve Poland's capacity to combat narcotics trafficking.

Road Ahead. In 2003, USG assistance will seek to enhance Poland's technological capacity to manage organized crime investigations, to enhance the capabilities of Poland's Financial Intelligence Unit, to modernize the Polish National Police (PNP) and to develop and implement an anti-corruption curriculum for the public schools. These projects will help strengthen Poland's ability to fight narcotics trafficking and abuse. In addition, in June 2003 the DEA will conduct a two-week train-the-trainer course in Poland on advance undercover investigation techniques to further improve the PNP's ability to successfully gather evidence and prosecute drug syndicates.

Portugal

I. Summary

Portugal is a significant international gateway into Europe for drug shipments from South America and North Africa. Domestically, ecstasy is gaining increasing popularity in Portugal. Heroin use continues to have a negative impact on abusers' health, adding to its costs for Portuguese society. Portugal actively participates in international counternarcotics programs. U.S./Portuguese cooperation on drugs includes visits by American officials and experts, training of law enforcement personnel, and assistance in establishing rehabilitation programs. Portugal decriminalized small-quantity drug abuse in 2001. The Government administers a wide range of programs aimed at preventing and treating drug use. Portugal is a party to the 1988 UN Drug Convention.

II. Status of Country

Smugglers use Portugal as a point of entry for drug shipments headed into Europe, their task made somewhat easier by Schengen Agreement open borders. Ecuador and Colombia are the primary source countries for cocaine destined for Portugal. Some of these shipments transit Brazil. Venezuela, which has a large resident Portuguese population, is also a common transit point. The other primary source countries are Turkey (heroin) and Morocco (hashish). Cocaine and heroin enter Portugal by commercial aircraft, truck containers, and maritime vessel. Heroin transits through the Balkans, the Netherlands and Spain en-route to Portugal. The Netherlands is the primary source of ecstasy. A significant amount of drugs enter Portugal from Spain through the northern province of Vila Real. The U.S. has not been identified as a significant final destination for drugs transiting Portugal.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Portugal decriminalized drug use for casual consumers and addicts in July 2001. This law makes the "consumption, acquisition, and possession of drugs for personal use" a simple administrative offense. The maximum quantity allowed any one person is not to exceed ten days' personal supply. First-time offenders are referred to the Commission for the Deterrence of Drug Addiction for adjudication. Repeat offenders are fined.

In March 2002, the Government passed a new law that created the Maritime Authority System and the National Maritime Authority. This authority, in coordination with other law enforcement agencies, will combat drug trafficking in coastal waters and within Portugal's Exclusive Economic Zone.

Law Enforcement Efforts. Portugal has four separate law enforcement agencies that deal with narcotics: the Judicial Police (PJ), the Public Security Police (PSP), the Republican National Guard (GNR), and Customs (DGAIEC). The PJ is a unit of the Justice Ministry with overall responsibility for coordination and criminal investigations. From January to November 2002, the PJ launched 166 investigations that resulted in drug apprehensions.

Portuguese law enforcement authorities report that the new generation of drug consumers is shying away from heroin and opting for ecstasy. The price of heroin fell from 50.8 euros per gram in 2001 to 34.10 euros in 2002, whereas the price for ecstasy, at 6 euros per pill, remained steady. Portuguese law enforcement agencies have organized teams to interdict clandestine ecstasy shipments. During the first half of 2002, law enforcement confiscated 119,059 ecstasy pills, greater than the 52,127 pills confiscated during the first half of 2001 and almost as much as the 126,436 pills confiscated during all of 2001. The largest seizure came in May, when the PJ seized 50,000 ecstasy pills in Leiria.

By contrast, cocaine seizures are down: 1,376 kilograms of cocaine in the first half of 2002, compared to 3,533 kilograms during the same period in 2001. The PJ seized 1,045 kilograms in Maia, in January, its biggest single bust during the first half of 2002. Most significant cocaine seizures occurred at points of entry.

Corruption. No cases of systematic or large-scale corruption involving narcotics were reported in 2002.

Agreements and Treaties. Portugal is a party to the 1988 UN Drug Convention. End-users of all narcotics-related chemicals imported into Portugal must be identified to the Customs Bureau. A Customs Mutual Assistance Agreement (CMAA) has been in force between Portugal and the U.S. since 1996. Portugal and the U.S. are parties to a 1908 extradition treaty. This treaty does not cover financial crimes, drug trafficking or organized crime. Certain drug trafficking offenses, however, are extraditable in accordance with the terms of the 1988 UN Drug Convention.

Drug liaison officers from Spain, Germany, and Britain are stationed in Lisbon, and the DEA office in Madrid maintains close contact with Portuguese authorities. Maritime interdiction cooperation between Portugal and Spain continued in 2002, following the terms of the 1998 treaty between the two countries.

Cultivation/Production. Portugal is not a significant producer of narcotics. However, the PJ (Portugal Judicial Police) recently dismantled a laboratory producing synthetic drugs in the Algarve region.

Drug Flow/Transit. Portugal's exposed geographic position and its long, rugged coastline and proximity to North Africa offer an advantage to traffickers who smuggle illicit drugs into Portugal. No significant routes of drug trafficking from Portugal to the U.S. have been detected.

Domestic Programs/Demand Reduction. The new Government moved responsibility for coordinating Portugal's drug programs from the Secretary of State for the Presidency to the Ministry of Health. The Government established the Institute for Drugs and Drug Addiction (IDI) by merging the Portuguese Institute for Drugs and Drug Addiction (IPDI) with the Portuguese Service for the Treatment of Drug Addiction (SPIT). The combined institute serves as the statistical gathering and dissemination center for narcotics issues, and manages government treatment programs for narcotics addiction.

The Institute sponsors several programs aimed at drug prevention and treatment. The most important program is the Municipal Plan for Primary Prevention. Its objective is to create, with community input, locality-specific prevention programs in thirty-six municipal districts. The Institute sponsors a telephone hotline; in 2001 its staff of 17 handled 70,000 calls. In addition to these programs, the Institute sponsors several public awareness campaigns, such as "Hold on to Your Life" and "Say No to Second Hand Syringes." A study sponsored by the Institute revealed that 10 percent of Portuguese middle school students have experimented with hashish, and 8 percent have experimented with drugs other than hashish. Regional commissions are charged with reducing demand for drugs, collecting fines, and facilitating the treatment of consumers, consistent with the public-health focus of the July 2001 law. The commissions adjudicated 7,000 cases since their inception. There is, however, a proposal to reduce the number of commissioners, given the lack of "clients".

IV. U.S. Policy Initiatives And Programs

DEA-Madrid cooperates with the Portuguese Judicial Police on high-profile cases. The Portuguese Customs Bureau cooperates with the U.S. under the terms of the 1996 CMAA.

In March 2002, Embassy Lisbon's Office of Defense Cooperation (ODC) arranged for a U.S. Coast Guard mobile training team to conduct boarding-officer training with the Portuguese Customs Bureau. Another class is planned for March 2003.

In January 2002, a mobile training team briefed the Intensive Treatment Unit for Drug Addiction and Alcoholism, a Portuguese Navy medical unit that handles training and treatment of drug-dependent personnel on the Hazelden model and patient placement criteria. In November 2002 the medical unit's

deputy director traveled to the United States to learn more about the Betty Ford Center's California Professional Development Program, the Hazelden Professional Development Program (Minnesota), the Mayo Clinic's addiction program (Minnesota), and the Retreat, a twelve-step oriented program based in Minneapolis methodology.

Road Ahead. The U.S. and Portugal will continue to work together closely to improve narcotics law enforcement in both countries.

Romania

I Summary

Romania is not a major source of production or cultivation of narcotics. Romania lies along a well-established route used to move heroin and opium from Southwest Asia to Western Europe, and has recently begun to serve as a source of amphetamine. Romania is also used as a diversionary transit point for South American cocaine destined for Western Europe. In 2002, Romania made some major drug seizures. A national plan to address drug abuse announced in 2001 was implemented. Allegations of corruption continued to damage the image of the primary drug fighting law enforcement body. Romania is a party to the 1988 UN Drug Convention.

II. Status of Country

Romania lies along what is commonly referred to as the Northern Balkan Route, and thus it is a transit country for narcotics moving from Southwest Asia, through Turkey and Bulgaria and onward toward Western Europe. In addition, a large amount of precursor chemicals transits Romania from West European countries south toward Turkey. In 2002 law enforcement officials seized a number of laboratories producing synthetic drugs in Romania. Law enforcement officials noted that a trend of increasing domestic narcotics abuse continued in 2002. While officials stated that heroin and marijuana were the primary drugs consumed in Romania, the use of synthetic drugs such as MDMA (ecstasy) increased among segments of the country's youth.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Romanian authorities continued to implement the National Program for Drug Prevention launched in October 2001 to combat a worrying trend of increased drug consumption in Romania. An inter-ministerial commission with some NGO assistance supervises this program. Joint teams of police and social workers carry out educational and preventative programs against drug consumption.

Romania is home to the Southeast European Cooperative Initiative (SECI) Organized Crime Center. The SECI Center, which became operational at the beginning of 2001, has sponsored a regional task force with Romanian participation to shut down heroin smuggling networks. In 2002, the Romanian National Police received training and technical assistance under the EU's PHARE program to combat synthetic drugs and received PHARE help in drafting legislation controlling precursor chemicals. The government submitted a chemical precursor control bill to Parliament in early November.

Accomplishments. Romanian courts have sentenced several drug traffickers to long sentences under the tough provisions of the narcotics law enacted in 2000, and the Romanian police are establishing an undercover drug investigation unit to take full advantage of the authority for undercover operations that the drug law provides. Romanian agencies, such as the National Police, Border Police, and Customs Administration continue to offer a good degree of cooperation in working with the USG. Inadequate resources and corruption remain the most significant impediments to combating narcotics trafficking in Romania.

Law Enforcement Efforts. In 2001 Romania significantly increased the amount of drugs confiscated, primarily due to two major hashish seizures in Constanta harbor. Romanian police cooperation with Belgian police following these seizures led to a seizure of 6.3 metric tons of hashish in Antwerp. Additionally, information provided to Tanzanian authorities following these operations led to the arrest in Tanzania of several members of a smuggling network and seizure of a hashish processing facility.

Cooperation with the United States led to the dismantling of a cocaine-smuggling ring from Ecuador. After the start of military operations in Afghanistan in October, there was a dramatic rise in the street price of heroin, and Romanian police officers reported that aggressive enforcement operations were partially responsible. There was an increase in the amount of amphetamines and “club drugs,” primarily MDMA (ecstasy), confiscated in 2002 over 2001.

The Romanian police reorganized its primary drug fighting service, the Directorate for Combating Organized Crime and Anti-Drug Operations (DCCOA) early in the year. The DCCOA was reorganized into two divisions, an organized crime division and a counternarcotics division. The counternarcotics side of the DCCOA now has some 50 officers; it also has internal squads working undercover operations. In addition, one or two officers are assigned to each of Romania’s newly established 15 regional organized crime offices.

Corruption. Corruption remains a serious problem within the Romanian government. The reorganization of the DCCOA was triggered by a scandal in which the head of one of its drug squads was accused of using an informant to divert confiscated drugs. The Romanian government began implementation of an ambitious national plan to combat corruption, including the establishment of a special prosecutor’s office for corruption. This prosecutor’s office began operation September 1, 2002 and opened cases against a number of GOR officials in 2002. The incentives for corruption in Romania, however, remain high. The Ministry of the Interior did conduct an asset review of all its personnel during the year to detect illegally obtained wealth, and brought court cases against a few officers as a result.

Agreements and Treaties. Romania is a party to the 1988 UN Drug Convention. An extradition treaty is in force between Romania and the United States, and a mutual legal assistance treaty came into force in October 2001 . Work has begun on a technical assistance agreement under which the UNODC would provide Romania with funds for fighting narcotics trafficking and drug abuse. Romania is also working with the UNODC to fight narcotics trafficking by sea.

Drug Flow/Transit: Illicit narcotics from Afghanistan enter Romania primarily over land through its southern border with Bulgaria. However, drugs are also brought into the country via the Black Sea port of Constanta, as well as via the country’s international airports. Once in Romania, the drugs move either north through Hungary, or west through Yugoslavia, on their way to Western Europe. Police estimated that 80 percent of the drugs that enter Romania continue on to Western Europe, while the remaining 20 percent are consumed in country.

Domestic Programs (Demand Reduction). While consumption of narcotics in Romania has historically been low, this appears to be slowly changing; the Romanian government is becoming increasingly concerned about domestic drug consumption. Detoxification programs are offered through some hospitals, but treatment is very limited. These programs are hampered by a lack of resources, and when heroin prices rose during the military operations in Afghanistan late in the year desperate addicts overwhelmed them. As of September 30, 2001, only 400 individuals were registered as in treatment in all of Romania.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In response to strong interest by the Romanian National Police and other Romanian agencies with narcotics law enforcement responsibilities, the USG has offered a wide range of training geared toward fighting narcotics, corruption, and money laundering. State Department sponsored training in 2002 included FBI led courses on interview and interrogation techniques, as well as homicide investigation. Other State Department funded programs in 2002 were offered through the Department of Justice’s Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT). These programs included a seminar on fighting corruption.

Separately, the DEA offered a course on criminal intelligence analysis to SECI Center officers and Romanian law enforcement authorities, and the U.S. Secret Service offered courses on financial crimes to

SECI Center officers and Romanian law enforcement. The U.S. Customs Service, which has several representatives posted in Romania, provided training to improve border enforcement.

The Road Ahead. Romania has put a serious emphasis on its counternarcotics efforts and cooperation with the USG. The USG believes that cooperation will continue, as the Romanian government has become increasingly concerned about domestic drug consumption. The drug law enacted in 2000 is expected to make a noticeable difference in the country's fight against drugs over the coming year and beyond. Subject to the availability of funds, counternarcotics, money laundering, and corruption-related training will continue in 2002.

Russia

I. Summary

The flow of Afghan heroin into the country across the southern Russian border continues to dominate drug issues in Russia. According to estimates by the Drug Control Department, more than 95 percent of all Russian heroin seizures in 2002 have occurred on the southern Russian border. Although approximately half the heroin seized was destined for onward transit, Russia is now also a consumer country and faces a serious drug abuse problem. The Russian Ministry of Interior (MVD) reported that there were approximately three million drug addicts in Russia, an increase in official estimates of 50 percent since 2000. Russian authorities consider heroin trafficking and abuse a significant threat to national security and public health. Although Russia continues to be only a modest market for cocaine, international cocaine traffickers use Russia as a transit point for onward shipment to Europe. LSD and methamphetamine abuse is on the rise across Russia, especially among teenagers. The increase in the manufacture and sale of “designer drugs” such as MDMA (Ecstasy) is an area of special and growing concern to Russian and international law enforcement. Illegal diversion of legally manufactured drugs into the Russian underground market is also widespread.

In 2002 the Russian government displayed an increased interest in and urgency concerning counternarcotics cooperation, and Russian law enforcement continued to deepen the bilateral investigative cooperation and intelligence sharing that began in the aftermath of September 11. In 2002 the Putin Administration declared “international terrorism, organized crime and the forces that are poisoning nations with drugs” to be the real threats to Russia’s national security today. The Putin administration continued to further implement its first national counternarcotics strategy, and renewed expressions of interest in developing a multi-faceted approach that would include demand reduction and prevention as well as prosecution and interdiction. The U.S. Russia Mutual Legal Assistance Treaty was brought into force on January 31, 2002, enhancing law enforcement cooperation in investigating transnational crimes, including narcotics and terrorist financing. Russia signed a Letter of Agreement on Counter Narcotics and Law Enforcement Cooperation (LOA) with the U.S. in September. The Financial Action Task Force (FATF) removed Russia from the list of non-cooperating jurisdictions in October.

II. Status of Country

Russia is a transit country for heroin and opium, most of which comes from Afghanistan and approximately half of which is destined for Europe. A small percentage reaches the United States as well. Russia is a small producer of cannabis and opium poppy and ephedrine for domestic consumption, and a significant producer/diverter of precursor chemicals for export for the production of Afghan and Turkish heroin. Production of amphetamines and synthetics for domestic consumption is minor but on the rise, and with the ready availability of precursors and sophisticated chemists, Russia may be poised to become a major producer of synthetic drugs to Europe and the U.S. Russian-Israeli criminal groups are known to be involved in synthetics trafficking in the U.S. and Russia-based criminal groups may exploit this connection to enter the U.S. market. Russian Drug Control units anticipate a rise in domestic club drug production for export to the U.S. and consumption in Russia. Illegal diversion of legally manufactured drugs into the Russian underground is widespread. Legally produced and then diverted, many licit drugs are pilfered in small amounts, with Amphetamine Type Stimulants (ATS) the most common type of diversion.

At its peak demand for cocaine never equaled that for heroin, which is much cheaper, more plentiful, and more easily imported in Russia. European and American markets for cocaine are far more profitable than Russian markets, and cocaine seized in Russia is typically in transit to Europe. There were no large seizures of cocaine in 2002.

Heroin trafficking continues to be the primary drug problem facing Russia. The Taliban stepped up production and export of opium and heroin into Tajikistan and Kazakhstan and on into Russia just as the economic crash of 1998 plunged Russia into a period of economic crisis. The crash resulted in a sharp drop in the standard of living for many Russians, high unemployment rates, and a decrease in the technical and financial resources available to law enforcement and drug treatment programs. Alcohol and substance abuse increased. The crisis coinciding with the widespread availability of cheap heroin contributed to a rapid increase in serious heroin abuse and addiction and a concomitant steep increase in HIV and AIDS infections, 80 percent of which are related to intravenous drug use in Russia. Russian authorities resist needle exchange programs on the grounds that they may encourage heroin abuse. HIV suppressing drug therapies exceed the financial capability of most Russian clinics and victims remain for the most part untreated, representing a grave concern for Russian health authorities. AIDS wards in hospitals are often a method of isolation from other patients rather than dedicated treatment centers. The GOR is in the process of opening AIDS awareness centers region by region. Certain areas in Russia are said to have the fastest growing rate of HIV infection in the world.

Given the porous nature of the border (which was an internal border only 10 years ago) and the limited technical and financial support for law enforcement, it is clear that Russia is ill-equipped to handle the inundation of the country with Afghan heroin. The proximity of Afghanistan as the source of heroin and the large quantities available keep prices low, from a low of U.S. \$10 per gram in 2000 to a post-September 11 average of U.S. \$35, back to a U.S. \$15 dollar average today. Even at these prices, the average Russian heroin user cannot support a heroin habit without resorting to some form of criminal activity. The MVD did, however, report a decrease in drug-related crimes of 22 percent during the first nine months of 2002. This statistic reflects registered crimes only however, and must be viewed with reference to the implementation of the new Code of Criminal Procedure in Russia, which raises the bar on threshold of evidence required to effect an arrest or open a criminal case. The MVD reports that their experience reflects an actual increase in drug related crimes themselves. In particular, drug offenses committed by members of the military have escalated dramatically, especially in the north Caucasus.

Domestic distribution of drugs is handled by the traditional Russian criminal organizations that have long conducted other criminal operations in the various regions of Russia. Trafficking into the country is often handled by members of various ethnic groups who tend to specialize in certain categories of drugs in specific areas. Afghans, Tajiks and other Central Asians mainly import heroin across the southern border with Kazakhstan into European Russia and western Siberia. Vietnamese and Chinese traffic heroin, opium and ephedrine into eastern Siberia, whose inhabitants also manufacture small amounts of methamphetamines in kitchen labs for personal use. Ukrainians traffic in cannabis, while Nigerians and some other Africans traffic mostly in heroin. Azeris, Chechens, and Tajiks dominate the heroin trafficking in Northwest Russia at the street level. Russian law enforcement reports that larger and more powerful organized crime groups in the country allow these smaller traffickers to operate unmolested in exchange for a share of the drug profits.

III. Country Actions Against Drugs in 2002

Until 2000 Russian policy makers or law enforcement officials did not give a high priority to the issue of narcotics trafficking by Russians or through Russia. Russia had little drug abuse and halting the transit of narcotics through the country was deemed a lower priority than other seemingly more critical criminal activities. Russian authorities have subsequently recognized that the impact of drug trafficking on Russia is now a serious national security threat to the country.

Policy Initiatives. The Putin Administration has demonstrated that it places a high priority on law enforcement and on control of narcotics. It raised salaries of all Russian police 20 percent in 2001 and again in 2002 with promises of doubling in the near future. This became an even more important priority in the wake of September 11, given the increased importance of depriving the Afghan terrorists of their

drug profits. Recent years have seen a marked increase in the willingness of Russian authorities to cooperate with international counternarcotics efforts and those of the U.S. in particular.

Key Foreign Ministry officials characterize cooperation in the area of counternarcotics as one of the top Russian priorities for U.S.-Russian relations, and one of their major priorities internationally. They have requested increased cooperation, including a Joint Counter Narcotics Task Force on the southern border. One key official called the drug issue a non-ideological, non-political, truly shared problem, demanding a cooperative and joint response.

In 2002, Russia began to implement its new program to combat narcotics and disrupt narcotics trafficking systems. This project has 20 goals, including reinforcement of the southern Russian borders, funding and development of targeted governmental programs in the field, support of counternarcotics centers throughout the country, measures to cut off cash flows to drug dealers, and public education in the area of demand reduction. In 2002, President Putin also mandated the creation of a federal agency to coordinate all Russian domestic and international law enforcement counternarcotics efforts. The agency will be part of the Ministry of the Interior, comprising 7000 agents, becoming fully functional by 2005. This move should simultaneously expand and coordinate Russia's current counternarcotics intelligence and interdiction capabilities. The head of this agency will be a deputy MVD minister, raising the profile and the effectiveness of counternarcotics activities within the GOR.

Accomplishments. In July 2002, the new Code of Criminal Procedure went into effect in Russia, bringing Russia into line with international standards of criminal justice and facilitating its integration into western legal institutions.

Russia passed money laundering legislation that met international standards in 2001, but did not implement the legislation sufficiently to satisfy the Financial Action Task Force and remained on the list of non-cooperating territories and jurisdictions. In 2002, Russia established a Financial Intelligence Unit (FIU), called the Financial Monitoring Committee (FMC). By June, the FMC had trained bankers and successfully implemented a regime of collecting suspicious transaction reports. By October, the FATF was satisfied by the report of its assessment team that Russia had made sufficient progress toward implementation of a reliable and comprehensive anti-money laundering regime, and removed Russia from the list of non-cooperating jurisdictions.

Law Enforcement Efforts. The 1998 Law On Narcotics and Psychotropic Substances criminalized the purchase and possession of drugs and stiffened the penalties for distribution and large-scale trafficking. While this has done nothing to discourage the growing substance abuse in Russia, it has given law enforcement a somewhat increased ability to deal with serious drug traffickers. Many courts have been unwilling to accept evidence obtained through wiretaps or undercover work, but provisions in the new code of criminal procedure that went into effect in 2002 facilitate use of the existing law on operational search activity, which explicitly authorizes courts to accept evidence obtained through clandestine surveillance when approved in advance by a court.

Russian law enforcement and the UN estimate that the flow into Russia of Afghan heroin alone has increased four-fold in the last three years. Seizures of heroin in the first nine months of 2002 were substantial, with 585.5 kilograms seized in 41,161 cases. This represents a slight decrease from heroin seized in the same period in 2001. The largest single seizure of heroin (61 Kg) took place in October 2002 in the Siberian city of Omsk. Another major heroin seizure, of 47 kilograms from Afghanistan, occurred in July 2002 at another Omsk drug warehouse. Both shipments of heroin entered Russia via rail from Tajikistan concealed in fruit juice shipments. Some of the major seizures of Afghan heroin and opium have taken place not in Russia, but on the Afghan-Tajik border where the Russian Federal Border Service provides assistance in cooperation with Tajik forces.

Corruption. President Putin has said that controlling corruption is a priority for his administration, but implementing this policy presents a constant challenge. Inadequate budgets, low salaries and lack of technical resources and support for law enforcement hamper performance, sap morale and encourage

corruption. Despite recent salary increases, salaries are still so low that morale is bad, and temptation for corruption is there. There were no reported cases of high-level narcotics-related corruption that facilitates the production, processing or shipment of narcotics and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts. However, there were reports of several low to midlevel counternarcotics officers in the Rostov region who were arrested in September for protecting drug traffickers and soliciting bribes. Two of the officers had been sent to coordinate interagency counter drug activity in the region. The officers, who make less than U.S. \$350 per month, were receiving more than U.S. \$64,000 per week from traffickers for protection. In addition 28 policemen were arrested this year for trafficking and drug abuse.

Agreements and Treaties. Russia is party to the 1988 UN Drug Convention, the 1961 Single Convention on Psychotropic Substances and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

Under the new U.S.-Russia MLAT, which entered into force on January 31, 2002, the requested country is obligated to provide assistance if there is dual criminality and the other pertinent requirements of the treaty are met. If there is no dual criminality, assistance is discretionary. As a result of the requirement for designating a central authority and point of contact, a separate office responsible for implementing international assistance requests has been formed within the Russian General Procuracy. Unfortunately, that office has not yet proved effective in carrying out its duties. At present, no extradition treaty exists between the U.S. and Russia. Russia, which does not extradite its nationals, has said that it will extradite citizens of other countries with which it has concluded extradition treaties.

Cultivation and Production. Although there are no official statistics on the extent of opium cultivation in Russia, the USG has no evidence to suggest that more than 1,000 hectares of opium are cultivated. In Russia, there are small, illicit opium poppy fields ranging in size from one to two hectares. This year more poppies were discovered than in previous years. Typically the opium fields are small backyard plots or are located in the countryside concealed by other crops. In Siberia, in the Central Asian border region, and in the Omsk-Novosibirsk-Tomsk region along the border with Kazakhstan, opium poppies are widely cultivated. According to Russian authorities, this year more cannabis and poppy plants were cultivated on larger areas of land, and wild harvests of these plants expanded throughout Russia. In the first nine months of 2002, Russian authorities eradicated 4,721,470 square meters of wild poppy and 157,018 square meters of cultivated poppy. The amount of wild poppy plants eradicated in 2002 represents a significant increase from previous year amounts.

Wild cannabis is estimated to cover some 1.5 million hectares in the eastern part of the country. In September 2002, the MVD reported eradication of 208,582 square kilometers of cultivated cannabis, and 63,896,585 square kilometers of wild cannabis. The numbers of wild and cultivated cannabis plants destroyed in 2002 represents significant decreases from 2001 figures. Hemp, often cultivated for commercial use, was found growing "in abundance" around the Moscow region. The MVD reported that throughout 2002, new zones for storing raw poppy and cannabis for drug production continued to be identified.

Drug Flow/Transit. Heroin from Southwest Asia flows through central Asia, particularly Tajikistan and Kazakhstan, over the southern border into Russia, for domestic distribution and consumption and for onward shipment to Europe and, to a much lesser extent, the United States. The port city of Astrakhan and the Black Sea port of Novorossiysk are major transit points for Turkish and Afghan heroin into Russia. Vast amounts of daily sea traffic, consisting of passengers, autos on ferries and bulk goods in trucks are used to conceal heroin moving into Russia. All routes mentioned above are also used in reverse to smuggle multi-ton quantities of the precursor chemical acetic anhydride to the clandestine laboratories that produce Afghan and Turkish refined heroin. The lack of border controls with China and Mongolia facilitates smuggling, including drug trafficking, through that region.

In the east the Russians continue to import the precursor ephedrine from China for Russian domestic production of methamphetamine in kitchen labs in quantities for personal use, although larger and more

sophisticated labs were seized in 2002. Cocaine traffickers also route Colombian cocaine for transshipment to Europe and elsewhere through Russian seaports and airports. Cocaine in kilo quantities entered Russia via Poland and the Baltics via courier and cargo shipments.

Demand Reduction. Russian authorities have expressed interest in developing a comprehensive counternarcotics strategy that would combine education, health and law enforcement. Russian law enforcement authorities also have come to support the idea that demand reduction should complement law enforcement efforts to reduce supply. President Putin lamented the scourge of drug abuse and attributed it in part to social and economic stresses of transition to democracy and a market economy. Cities across the southern border have been particularly hard hit. Although heroin use among the young has decreased slightly, drug addiction among those under 14 years of age has risen 24-fold since 1991. The 1998 Narcotics Law provides for compulsory treatment of drug abusers who come to the attention of the authorities.

In 2002, the GOR acknowledged that widespread drug abuse among all ranks of the military had become a national security concern. According to GOR figures the number of draftees using drugs has increased seven-fold since 1999. The GOR reports that 25 percent of officers, 40 percent of conscripts and 40 percent of soldiers of all ranks serving in the Caucasus abuse drugs. Military servicemen have become increasingly involved in drug trafficking as well.

IV. U.S. Policy Initiatives and Programs

Policy Objectives. The principal U.S. goal in Russia is to help strengthen Russia's counternarcotics law enforcement capacity to help meet the challenges of international drug trafficking into and across Russia, and to help strengthen and develop Russian law enforcement personnel with the goal of developing reliable Russian law enforcement partners for U.S. law enforcement.

Bilateral Accomplishments. In 2002, the U.S. Department of State, Bureau of Narcotics and Law Enforcement (INL) negotiated an LOA with the GOR allowing direct assistance to the GOR in the area of counter-narcotics and law enforcement assistance. The U.S. provided technical assistance in support of institutional change in the areas of criminal justice reform, Mutual Legal Assistance, anti-corruption and money laundering as well. DEA provided INL-funded counternarcotics training to over 200 students in 2002. These were primarily enforcement personnel in the Ministry of Internal Affairs (MVD), the Federal Security Service (FSB) and Customs. INL-funded community police programs also contained a significant counternarcotics component, and INL assistance supported several NGO programs that focus on this aspect of community relations.

The Road Ahead. Russia gives an increasingly high priority to counternarcotics efforts and has indicated a desire to deepen and strengthen its cooperation with the United States and other countries. The USG will continue to encourage and assist Russia to implement its comprehensive, long-term national strategy against drugs with multidisciplinary sustainable law enforcement assistance projects that combine equipment, technical assistance and expert advisors.

Slovak Republic

I. Summary

Slovakia lies at the crossroads of two major drug transit zones, the traditional east-west routes from Ukraine and the Russian Federation and the historic “Balkan Route,” which runs from Southwest Asia to Turkey and on to Germany, France, and other Western European countries. The Government of the Slovak Republic (GOSR) funded the budget for the fight against narcotics at the same level in 2002 as it did the previous year, approximately 50 million Slovak crowns (approximately U.S. \$1.2 million). Slovak officials expect this figure to drop to a fifth of the 2002 level in 2003, to 10 million crowns. Domestic drug use appears to have remained steady in 2002. The GOSR is a party to the 1988 UN Drug Convention.

II. Status of Country

One of the main concerns of the GOSR is the continuing use of Slovakia as a transshipment point for smuggling illicit drugs. The GOSR continues to concentrate on east-west smuggling from Ukraine and Russia. Enforcement officials say that Russian organized crime groups have continued to be active in heroin trafficking this year. Slovak authorities are also placing increased emphasis on the Balkan Route and the suspected Albanian criminal organizations that use this route. Albanian traffickers cooperate with criminal organizations in neighboring countries to move heroin to market.

According to the Slovak National Drug Squad, Albanian organized crime groups are responsible for 90 percent of all drug trafficking in Slovakia. Slovak police think organized crime groups have more resources and are masterminding increasingly complex operations. The Slovak police report that Roma (formerly known as gypsies) in Slovakia are distributors of heroin. They report that Roma often purchase heroin from Albanian suppliers at wholesale prices and then resell it on the streets. The Slovak police have cracked some organized crime cases, but they admit that they are still unsure of the full extent of the problem. Slovakia has passed legislation on precursor chemicals and presently 20 companies voluntarily report suspicious requests for dual-use precursor chemicals. Authorities do not believe that diversion of these chemicals is a problem in Slovakia.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Fighting organized crime and corruption is among the government’s top priorities. While cooperation with other nations in the fight against narcotics trafficking is not everywhere effective, the GOSR has cooperated closely on a number of cases of international drug trafficking. Of particular note is the improving cooperation between the Slovak Customs Directorate, neighboring states, and the United States. Slovak customs officers are generally very professional and have been granted an increased budget. With the passage of a new Customs Act, scheduled to go into effect early next year, the authority of customs officials will be broadened, further strengthening border enforcement against drug trafficking.

Accomplishments. The Slovak Customs Directorate has sought to work more closely with the police in investigating cases of narcotics trafficking, and this will be facilitated by implementation of the new Customs Act.

Law Enforcement Efforts. The number of attempts to smuggle illegal narcotics in 2002 appears to have increased compared with 2001. The majority of those apprehended were not Slovak citizens. The Border Service reports that, as was the case last year, most seizures at borders were for marijuana trafficking.

Corruption. The current government is trying to reduce corruption through legal reform and increased education. While observers believe that some progress has been made, most believe corruption is still a

serious problem, particularly at the lower levels in the law enforcement agencies. In November 2002, Igor Kostal, head of the National Drug Unit, was replaced for corruption. The GOSR continues to implement an anticorruption program for government employees, which embraces all ministries.

Agreements and Treaties. The Slovak Republic is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances. The bilateral extradition treaty between Czechoslovakia and the United States has continued in force between the United States and the Slovak Republic. The Slovak Republic signed the UN Convention against Transnational Organized Crime in December 2000 and signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons and the Protocol against the Smuggling of Migrants in November 2001.

Cultivation/Production. Indications are that small amounts of marijuana continue to be grown in all regions of the country, but that it is for domestic consumption only. It does not appear that heroin is being produced within Slovakia. While some use of MDMA (ecstasy) among Slovaks has been reported, there have been no reports of its production within the country.

Drug Flow/Transit. The shared border with Hungary and Ukraine was the site of the greatest number of attempts to enter Slovakia with illegal substances. The greatest number of attempts to smuggle substances out of Slovakia was noted at the Czech and Austrian borders.

Domestic Programs (Demand Reduction). The Slovak government supports efforts to discourage drug abuse through education in the schools. The National Health Service provides treatment for drug abusers.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. As in prior years, Slovak enforcement officials participated in several Department of Justice courses, funded by the U.S. Department of State. These classes were designed to increase the resistance to corruptive influences at the working level, and to improve counternarcotics and anti-organized crime detection/investigative skills.

The Road Ahead. Through bilateral cooperation, the United States will continue to encourage the GOSR to adequately budget for narcotics enforcement, to maintain its tough stance on drug interdiction, and to expand its enforcement and prevention capabilities by modernizing responsible agencies.

Slovenia

I. Summary

Slovenia is neither a major drug producer nor a major transit country for illicit narcotics. The Government of Slovenia (GOS) is aware that Slovenia's borders with EU countries make it an attractive potential transit country for drug smugglers, and it continues to pursue active counternarcotics policies. Slovenia's receipt of an invitation to join the EU in spring 2004, and its goal of attaining full Schengen membership in 2005, resulted in a continued intensive focus on border controls in 2002. As a successor state to the Socialist Federal Republic of Yugoslavia, Slovenia is a party to the 1988 UN Drug Convention.

II. Status of Country

Slovenian authorities believe that its borders with Italy, Austria, Hungary, and Croatia and its short Adriatic coastline make Slovenia a potential target for Albanian, Turkish, and Italian criminal organizations trying to smuggle heroin into Western Europe via the "Balkan Route." Slovenia's main cargo port, Koper, located on the North Adriatic, is also viewed as a potential transit point for South American cocaine and North African cannabis destined for Western Europe. Drug abuse is not a major problem in Slovenia, although authorities keep a wary eye on heroin abuse, which continues to increase.

III. Country Actions Against Drugs in 2002

Policy Initiatives/Accomplishments. The GOS continued to make counternarcotics a priority for all levels of law enforcement in 2002. Cooperation with officials from the United States and from EU member states to improve interdiction also has continued. Slovenia is a participant in the SECI Regional Center for Combating Trans-border Crime and participates in the EU's PHARE Multi-Beneficiary Drug Assistance Program.

Law Enforcement Efforts. Active counternarcotics efforts among Slovenian law enforcement authorities, in cooperation with counterparts in neighboring countries led to a decrease in narcotics-related criminal activity in 2002 and several key drug seizures. The most striking success was the July 2002 breakup of two criminal cartels engaged in drug trafficking from the Balkans to Western Europe. This year-long joint Slovenian-Italian operation involved the cooperation of law enforcement authorities from Macedonia, Croatia, and the FRY as well, and resulted in the seizure of 26 Kg of heroin, several thousand Ecstasy (MDMA) pills, as well as some cannabis, weapons, and explosives. Cooperation with U.S. law enforcement officials has been excellent, particularly with regard to ongoing joint investigations.

Law enforcement agencies seized 7,051 Ecstasy tablets in 2002, compared with 1,773 tablets in 2001, and 26,804 tablets in 2000. In 2002, 65.6 kilograms of heroin were seized, compared with 88.9 kilograms of heroin in 2001, and 394.8 kilograms of heroin in 2000. In addition, 1,083.8 kilograms of cannabis were seized in 2002, compared with 170.56 kilograms of cannabis in 2001, and 3,431 kilograms of cannabis in 2000.

Corruption. Slovenia does not, as a matter of government policy, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug activities. No senior Slovenian official is known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, nor the laundering of proceeds from illegal drug activities. Police and border control officials are adequately paid, and corruption among them is uncommon.

Agreements and Treaties. Slovenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on

Psychotropic Substances. The 1902 extradition treaty between the United States and Yugoslavia remains in force between the United States and Slovenia. Slovenia signed the UN Convention against Transnational Organized Crime in December 2000 and in November 2001 signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants, and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Slovenian law enforcement authorities have been willing and capable partners in several ongoing U.S. investigations. The U.S. provided no training, commodity, or program assistance in 2002.

The Road Ahead. Joint U.S.-Slovenian law enforcement investigations will continue in 2003. Subject to the availability of funds, the United States plans to provide specialized counternarcotics and other law enforcement training to new Slovenian law enforcement personnel in 2003, and to encourage Slovenian authorities to make greater use of asset forfeiture as a means of discouraging narcotics trafficking.

Spain

I. Summary

Spain is the leading entrance point to Europe for cocaine smuggled from South America and for hashish from Morocco. Spain is also an increasing transshipment point for ecstasy going to the U.S. Spain remains active in counternarcotics efforts globally, especially in Latin America. Spanish government counternarcotics cooperation with U.S. law enforcement counterparts is excellent. Spain is a party to the 1988 UN Drug Convention.

II. Status of Country

Spanish law enforcement agencies seized a record quantity of cocaine during 2002, surpassing the previous record set in 2001. Spain is the chief gateway for cocaine shipments from Latin America into Europe. Spain is also increasingly a transit point to the U.S. for ecstasy from the Netherlands. Spanish police continue to seize large amounts of Moroccan hashish, much of which is intended for other parts of Europe. The majority of heroin that arrives in Spain is transported via the Balkan route from Turkey.

Cultivation in Spain of cannabis and opium is minimal. Illicit refining and manufacturing of drugs in Spain is also minimal. However, small-scale laboratories which convert cocaine base to cocaine hydrochloride are discovered and destroyed each year. Spain has a chemical industry that produces dual-use precursor chemicals. There is effective control of precursor shipments within Spain from the point of origin to destination, administered under the National Drug Plan (PNSD).

III. Country Actions Against Drugs in 2002

Policy Initiatives. Spanish policy on drugs is directed by the national drug strategy, which covers the years 2000 to 2008. The strategy, approved in 1999, expanded the scope of law enforcement activities, such as permitting sale of seized assets in advance of a conviction and allowing law enforcement to use informers.

The National Central Drug Unit coordinates counternarcotics operations among various government agencies, including the security forces and the Customs Service, and appears to function well. There is no evidence of corruption of senior officials or their involvement in the drug trade.

Law Enforcement Efforts. Spanish law enforcement seized a record amount of cocaine during 2002 and continued to seize large quantities of Moroccan hashish. Spanish cocaine seizures—over 36.5 metric tons during the year—account for half or more of the total seized in Europe. Spain's close historic and linguistic ties with Latin America attract Colombian cocaine traffickers who exploit Spain's long coastline and its position as a bridge to the rest of Europe. Maritime vessel and containerized cargo shipments account for the bulk of the cocaine shipped to Spain. Following are some notable cocaine seizures from 2002: Spanish Customs seized 900 kilograms of cocaine hidden aboard an American registered yacht off the coast of Galicia in June. Spanish Customs seized 3000 kilograms of cocaine from a Venezuelan registered vessel off the coast of Cape Verde in July. In December, SNP seized 2500 kilograms of cocaine off Gijon, Asturias, from a Panamanian registered vessel that had originated in Venezuela.

The vast majority of the 546 metric tons of hashish seized in Spain as of November 2002 was of Moroccan origin. Hashish consignments of several metric tons are routinely transported from Morocco by speedboat or private yacht. Numerous seizures occurred between Gibraltar and Murcia on the southeast coast of Spain. Typical seizures in 2002 included: 2160 kilograms seized by Spanish Customs in July from a Moroccan zodiac boat off the coast of Almeria; 1700 kilograms of hashish seized by the Civil Guard in September on the beach of Punta Candor, Rota, Spain.

Seizures of ecstasy were also up significantly in 2002, with over 1.2 million tablets seized by Spanish police. Following are some representative arrests. In February, Spanish police arrested a German national at Madrid (Barajas) airport who was on his way to Miami with 30,000 tablets of ecstasy. In March, the Civil Guard seized 123,000 tables of ecstasy from a car in Castellon, Valencia after the driver (a trafficker) was involved in an accident. In May, Spanish police arrested a Spaniard seeking to cross the border into southeastern France from Girona with 93,000 tablets of ecstasy.

Security inspections at airports are being stepped up as a result of the events of September 11, 2001. At Madrid's Barajas airport, for example, only 10-15 percent of checked luggage was typically x-rayed in 2002, according to Spanish authorities. By the end of 2003, authorities at Barajas expect to be x-raying 100 percent of checked bags. The new system will detect narcotics smuggling as well as security threats.

Agreements And Treaties. Spain is a party to the 1988 UN Drug Convention, and all of the convention's articles are applied in Spain. Spain signed the UN Convention Against International Organized Crime and its protocols in 2000. Extradition between the U.S. and Spain is governed by a 1970 extradition treaty and its three supplements. The U.S.-Spain Mutual Legal Assistance Treaty has been in force since 1993. The U.S. and Spain have also signed a Customs Mutual Assistance Agreement.

Cultivation/Production. Cannabis is grown in insignificant quantities. Opium poppy is cultivated under strictly regulated conditions for research. Refining and manufacturing of cocaine and synthetic drugs is minimal, with some small-scale laboratories converting cocaine base to cocaine hydrochloride.

Drug Flow/Transit. Spain is the major gateway to Europe for Andean cocaine and the major transit point to Europe for hashish, the vast majority of which comes from Morocco. Spain is an increasing transit point to the U.S. for ecstasy and other synthetic drugs produced mainly in the Netherlands. Couriers carrying ecstasy from Spain have been arrested upon entry to the U.S.

Domestic Programs. The national drug strategy identifies prevention as its principal priority. In that regard, PNSD continued its publicity efforts targeting Spanish youth. Spain's autonomous communities provide treatment programs for drug addicts, including methadone programs and needle exchanges. Prison rehabilitation programs also distribute methadone.

IV. U.S. Policy Initiatives and Programs

U.S. goals and objectives for Spain are focused on maintaining and increasing the current excellent bilateral and multilateral cooperation in law enforcement and demand reduction. We seek to promote intensified contacts between officials of both countries involved in counternarcotics and related fields. Latin America remains an important area for counternarcotics cooperation.

The Road Ahead. The U.S. will continue to coordinate closely with Spanish counternarcotics officials. Spain will continue to be a key player in the international fight against drug trafficking.

Sweden

I. Summary

Sweden is not a significant illicit drug producing, trafficking or transit country. Swedish drug policy still envisions zero tolerance and seeks a drug-free society in the long run. In October 2002, Prime Minister Goran Persson, appointed a new minister—Morgan Johansson—specifically to address drug-related issues. In January 2002, the Minister of Health and Social Affairs unveiled the GOS's 2002-2005 National Action Plan to combat narcotics. Special coordinator, Bjorn Fries, was tasked with coordinating the efforts of Swedish government agencies, NGOs and ministries in implementing the plan.

According to police and customs sources, drug seizures are increasing and Swedish customs officials report increased drug smuggling at the borders. Amphetamines and cannabis remain the most common drugs in Sweden, with seizures of amphetamines from the Balkans increasing significantly. Experimental use of drugs—primarily cannabis but also “club drugs” like ecstasy—among young people appears to be rising. Sweden continues its cooperation in the EU and other international fora. Sweden is a party to the 1988 UN Drug Convention.

II. Status of Country

Relative to other European countries, Sweden—both the government and the public—is intolerant of drugs. The Swedish Prime Minister, Goran Persson, has made the fight against narcotics one of the government's top priorities during his tenure. GOS activities are outlined in the national Narcotics Action Plan for the period 2002 through 2005.

While drug use has grown during the past decade, the drug situation in Sweden is generally more favorable than in most of Europe. A 2002 SIFO poll shows that 94 percent of Swedes oppose the legalization of any form of narcotics. Support for legalization is slightly higher among youth, particularly young men.

Authorities believe that use of amphetamines, cannabis and ecstasy is growing. Consumption is particularly high among those in the 18-24 age range. Still, polling indicates that nine out of ten young people oppose liberalization of Sweden's drug policy. Seizures of amphetamine and cannabis have increased during the year, but the total amount seized has only increased slightly. A contributing element was the lack of any major seizures during the past year.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The GOS aims to reduce the number of new drug abusers, to motivate more drug abusers to quit, and to diminish the supply of narcotics. Early in 2002, Parliament approved Sweden's National Action Plan against drugs. Under the plan, the GOS will spend U.S. \$32.5 million to combat narcotics use during the next three years. Of this, approximately U.S. \$10 million is earmarked for programs through the national prisons and probation administration. The effort aims at curbing the supply of drugs, demand reduction activities, and rehabilitation programs for drug abusers. U.S. \$4.2 million has been specially set aside for research on rehabilitation. This amount is one of the largest research grants ever in Sweden.

Sweden continues to cooperate with its Baltic neighbors on customs, police, and intelligence issues related to drug trafficking. During 2002, the EU provided 40 million Euros to help combat organized crime in the Baltic region. Drugs transiting through or originating from the Baltic countries have become a serious problem throughout the European Union and the EU acted to address the situation.

At a November meeting, Nordic Ministers responsible for narcotics approved a common strategy for cooperation with Russia and the Baltic region. The Ministers agreed upon exchange of information, preventive actions, rehabilitation, support for NGOs, and deepening cooperation in police and customs matters.

In 2002, the Stockholm Police established a special task force—the Restaurant Commission—to address the high prevalence of drug use among restaurants and bar staff. Drug use in this group is approximately 27 percent, compared with 3 percent usage rate among the general population. By forming a task force, the police hope to improve interdiction and increase seizures of drugs in Stockholm's more than 1,500 restaurants.

In November 2002, Sweden's three major cities—Stockholm, Gothenburg and Malmö—launched a joint effort to combat narcotics. The project focuses on preventative work in the schools and in environments where drugs are common, limiting supply, and supporting rehabilitative measures for addicts.

Sweden participates in several international fora—the UN Commission on Narcotic Drugs, the UN Drug Program, the Dublin Group, and the Pompidou Group. During 2002, Sweden continued to promote improvement of multilateral counternarcotics activities in the UNODC. Sweden is currently developing a new strategy for cooperation with UNODC to which Sweden is a major contributor, providing U.S. \$3,85 million (U.S. dollars?) in 2002.

Accomplishments. The Swedish International Development Authority (SIDA) allocated approximately U.S. \$1.2 million in 2002, for multilateral and bilateral UN projects against drugs and tobacco. The GOS National Action Plan 2002-2005 allocates U.S. \$32.5 million for anti drug-efforts. About U.S. \$10 million will be invested in rehabilitation of inmates, staff training and research. The rest will be distributed to the 289 municipalities for counternarcotics projects. Since 1999, it is a criminal offense to drive under the influence of narcotics or certain prescription drugs with narcotic or hallucinogenic properties.

Agreements and Treaties. Sweden is a party to the 1988 UN Drug Convention and is meeting the Convention's goals and objectives. Sweden is also a party to the 1961 Single Convention, as amended by the 1972 Protocol, and to the 1971 Convention on Psychotropic Substances. Sweden has signed but not ratified the UN Convention against Transnational Organized Crime, which is not yet in force internationally. Sweden has a bilateral customs agreement with the United States regarding mutual assistance matters. Sweden cooperates with the United States in extradition matters through a bilateral extradition treaty.

Law Enforcement. Swedish Law Enforcement authorities have been consistently increasing the number of drug seizures. Between January and October 2002, 2,984 drug seizures by customs officials, compared with 1,658 for the same period in 2001, and 1,328 in 2000. No major labs were detected during the year.

Seizures of Rohypnol (the so called "Date Rape Drug") are increasing, with more than 450,000 tablets seized between January and November 2002. This is twice the amount seized in 1998, the previous recorded year. Rohypnol seizures have fluctuated but have shown a clear increasing trend over time. The Rohypnol seized in Sweden is manufactured in Russia and is transported through the Baltic region, especially Lithuania, by well-organized groups. In early November, Swedish Custom officials seized a car from Lithuania with 38,000 tablets. and in December, Customs seized a truck from Lithuania carrying 150,000 tablets.

Corruption. The OECD recently ranked Sweden as one of the least corrupt countries. Anti-corruption laws and transparency effectively deter public officials from engaging in illicit production or distribution of drugs, or from involvement in money laundering.

Cultivation/Production. Illicit drugs are not cultivated or produced in significant quantities in Sweden. Small, private cultivation of cannabis is occasionally found in private homes, using seeds bought mainly over the Internet.

Drug Flow/Transit. Drugs normally enter the country concealed in commercial goods, by air, by ferry, and by truck over the new Oresund Bridge linking Sweden to Denmark. Most of the amphetamines found in Sweden originate in Poland, the Netherlands or Belgium. Ecstasy seized in Sweden usually comes from the Netherlands and is brought in to Sweden by couriers traveling by car or by bus over Oresund Bridge.

Morocco is the source of 75 percent of the cannabis seized in Sweden; most passes through Spain on its way to Sweden.

More than half of heroin seizures are made at airports. Heroin destined for Sweden is imported into Western Europe and then transported north via courier. The number of seizures of cocaine decreased in 2002 but there are indications that traffickers may have found alternate methods to transport the drugs and the actual volume may be unchanged. Usually, couriers travel by air from the Caribbean, mainly to the Netherlands, where the drug is transported onwards by air or other means. Law enforcement officials did not encounter any drugs intended for the U.S. market during the year.

Demand Reduction. Since 2001, the National Institute of Public Health—in cooperation with municipalities—is responsible for providing compulsory drug education in schools. Several NGOs also focus on drug abuse prevention and public information programs. Under Swedish law, individuals who abuse drugs can be sentenced to drug treatment.

European Cities Against Drugs (ECAD) is a Swedish-founded alliance of major cities, which espouse zero tolerance policies and oppose liberalization. Its policy is based on the UN Convention on Drugs and the UN Convention on the Rights of the Child. The organization cooperates with counternarcotics organizations in the United States and is developing links in Latin America, Asia, and Australia.

IV. U.S. Policy Initiatives and Programs

Swedish cooperation with U.S. law enforcement authorities continues to be excellent, and U.S. agencies are pursuing enhanced cooperation with Sweden, both bilaterally and in the context of the EU.

The Road Ahead. Sweden and the U.S. will continue to cooperate on narcotics issues, and on cases where cooperation aids both countries efforts to keep narcotics away from their populations.

Switzerland

I. Summary

Switzerland plays a role as both a consumer market and transit route for illicit narcotics, but it is not a significant producer of most illicit narcotics, with the exception of hemp/marijuana. Drug-related arrests were down slightly during 2002. The Swiss public continues its strong support for the government's four-pillar counternarcotics policy: preventive education, treatment, harm reduction, and law enforcement. A new drug bill continues its way through the parliament, aimed at decriminalizing cannabis use for Swiss adults, concentrating enforcement efforts against other drugs, and making permanent a heretofore pilot heroin maintenance program for drug addicts. The Swiss government has delayed ratification of the 1988 UN Drug Convention to consider implications of the revised narcotics legislation for ratification without reservations.

II. Status of Country

In a country of approximately seven million people, about half a million are thought to use cannabis at least occasionally. Roughly 30,000 people are addicted to heroin and/or cocaine, and more than 7.2 percent of the population use a narcotic substance regularly in Switzerland. While the use of heroin has stabilized and even shown a slight decrease in recent years, the use of cannabis and synthetic drugs, especially MDMA (ecstasy), has increased sharply. Police are also concerned about the continuing trend by casual users to mix cannabis and other drugs.

III. Country Actions Against Drugs in 2002

Beginning January 1, 2002, jurisdiction for all cases involving organized crime, money laundering, and international drug trafficking shifted from the cantons to the federal prosecutor. A new judiciary police force has been set up and investigative judges increased from one to five. According to the federal prosecutor's office, the number of judges will be increased to 25 by 2006. Further controls on narcotic and psychotropic substances took effect on January 1, 2002, after which it became illegal to advertise products that contain narcotic or other psychotropic substances without government certification. Violators who put human lives at risk could face fines up to U.S. \$133,000 or imprisonment.

Accomplishments. Swiss drug control authorities say that therapy and treatment programs have improved the physical and mental well being of many drug addicts and reduced incidents of drug-related crime. The total number of cocaine and heroin addicts in Switzerland has stabilized at roughly 30,000 in recent years. Swiss officials credit needle exchange programs with reducing drug-related AIDS and hepatitis. Drug-related mortality decreased from 205 deaths in 2000 to 197 in 2001. Of these, 64 lived in Zurich, 21 in St. Gallen, and 17 each in Bern and Geneva. The average age of newcomers into the heroin treatment program is 33.3 years.

Law Enforcement Efforts. Cannabis seizures decreased from 19,572 kilograms in 2000 to 11,424 kilograms in 2001, the number of narcotics apprehensions during 2001 decreased slightly from 46,558 to 46,116, with wide disparities among cantons. Apprehensions decreased for cannabis by 18 percent, 36 percent for amphetamines, 5 percent for cocaine, 20 percent for heroin, and 12.6 percent for other hallucinogens. Approximately 81 percent of the reported drug offenses concerned drug consumption.

Between January and June 2002, Swiss customs seized 64 kilograms of heroin and 92,000 doses of synthetic drugs, compared to 50 kilograms of heroin and 20,000 doses respectively for the entire year 2001. Drug arrests also went up: 3,229 people during the first six months of the year, as opposed to 2,259

for the first half of 2001. Also during the first half of 2002, police seized 20 kilograms of cocaine, and 169 kilograms of cannabis-based products.

Foreigners play a significant role in the Swiss drug scene, especially in distribution. During 2001, 12,728 persons arrested for drug offences were foreigners. One fourth of the people arrested originate from the Balkans, and Albanians in particular constitute the largest foreign criminal population in Switzerland. Police sources report that Kosovars, Albanians, and Macedonians are expanding their control from the Swiss heroin market into the cocaine market which was traditionally in the hands of Africans, Dominicans, and South Americans. The cantons of Geneva and Vaud implemented new measures during 2002, aimed at disrupting drug distribution. Noting that permanent resident aliens suspected (but not convicted) of drug dealing were traveling freely from canton to canton, officials began imposing administrative sanctions under Cantonal foreign resident regulations. Many suspected drug dealers resident in another canton are now banned by Geneva and Vaud from entering those cantons, and if picked up by police, the suspects (who are mainly from eastern Europe) are fined and “deported” to their canton of residency. If picked up again, they are jailed.

The parliament of Ticino adopted in July 2002 a new legislation that forbids the production of marijuana, and restricts the establishment of Amsterdam-like “coffee shops.” Local police report that 40,000 people consume marijuana regularly in Ticino (which represents 13 percent of the canton’s population) and that the number of coffee shops has jumped from 16 to an alarming 60 in the last five years. Most of these shops concentrate near the Italian border. Under the new legislation, anyone opening a coffee shop will have to prove that he/she has no criminal record and must notify the administration before growing cannabis.

A new drug bill aimed at decriminalizing cannabis use and concentrating enforcement efforts against other drugs continues its way through parliament. Experts close to the legislation believe it will be adopted in spring 2003. The bill would regulate the significant “gray market” for hemp products by limiting the number of retail outlets, and permitting sales only to adults residing in Switzerland. Prices for hemp farmers and distributors also would be regulated and authorities will limit the acreage under cannabis cultivation and work to prevent drug exports. An ordinance, based on the new drug bill, will forbid under-18 cannabis consumption, and regulate cross-border drug tourism. Three thousand “drug tourists” were arrested at Swiss border posts during 2001, a 150 percent increase compared to the previous year.

Throughout most of its legislative history, the bill has enjoyed support from the full spectrum of political parties, to one degree or another, except for the conservative Swiss Peoples Party (SVP), which opposes the proposal outright. During November 2002, a study by a Swiss consumer group revealed that the potency/THC levels of Swiss-grown cannabis had risen markedly in just a few years. The new drug bill would also make permanent the controlled distribution of heroin as a treatment to drug addicts. Under the current legislation, heroin prescription programs are only permitted for a limited period of five years, ending in December 2004.

Several drug arrests made especially noteworthy headlines during 2002:

In February, a Zurich court sentenced a 51-year old former Thai policeman to four years in prison after he was found guilty of money laundering and drug smuggling. The police found 100,000 Thai pills (methamphetamine) he had imported into Switzerland, as well as over a quarter of a million dollars in cash.

In July, the Bern police took part in a coordinated 12-country drug bust. Considered the biggest counternarcotics operation in Bern’s history, the police seized 22 kilograms of heroin, about U.S. \$40,000 in cash, and several shotguns. The ringleader, a 35-year old Kosovar, was allegedly linked to a Chechen drug cartel.

Geneva saw its biggest drug bust ever in November, when police seized 11.5 kilograms of heroin, essentially a month’s supply for local heroin consumers.

Across Switzerland five to ten per cent of police time is spent on fighting drugs, but arrest and prosecution do not appear to be working as a deterrent. Under Swiss law, drug dealers face a prison sentence of at least 12 months and hefty fines up to SFr one million. However, according to a 2001 report by the Swiss National Science Foundation, hefty fines do not prevent hard drugs from being available, nor do they affect the price.

Drug related violence is on the upswing, including assaults against customs officers while performing interviews or searches particularly in Geneva and Basle. There were 14 reported assaults against customs officers during the first half of 2002. Border posts were compelled to use police-trained dogs 18 times, pepper sprays 8 times, and to use their firearms twice. Drug dealers in need of extra cash were responsible for several post office hold-ups in Geneva.

Corruption. The USG is not aware of any court decision concerning narcotics-related corruption among Swiss judicial, administrative, or law enforcement officials.

Agreements and Treaties. Switzerland and the United States cooperate in law enforcement matters through bilateral extradition and mutual legal assistance treaties. There were no narcotics related extraditions between the U.S. and Switzerland during 2001 and 2002. Switzerland is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Although a signatory to the 1988 UN Drug Convention, Switzerland has not yet ratified the Convention.

In February 2002, the International Narcotics Control Board (INCB) was critical of impending changes in Swiss narcotics legislation in its annual report, stating that the new Swiss law would go much further than simply decriminalizing cannabis consumption. The report argued that it would be a “historic mistake” if cannabis were effectively placed in the same category as alcohol and tobacco, and that it would contravene the 1961 single convention on narcotic drugs. Ueli Locher, Deputy Director of the Swiss Federal Office For Public Health opposed the INCB position, saying that four independent legal assessments had found that the bill is consistent with the 1961 convention.

Cultivation and Production. Switzerland is not a significant producer of illicit drugs, with the exception of illicit production of high THC-content cannabis/hemp. Police estimate the 2001 area planted to illicit hemp at 350 hectares, with a value of approximately U.S. \$674 million. Approximately 200 hemp shops operate throughout Switzerland, selling a variety of cannabis products, including tea, oil, foods, and beverages, cosmetics, textiles and so-called sachets. Ostensibly sold to freshen-up closets and drawers, the sachets contain a quality of marijuana suitable for smoking. Following a series of police raids on hemp shops, a federal court ruled in March 2000 that selling hemp products with a THC level above 0.3 percent was a violation of the narcotics law regardless of how the shop had labeled the hemp. Government subsidies are available to farmers growing industrial hemp. Police have also expressed concern over the increase in domestic production of ecstasy and other synthetic drugs.

Drug Flow/Transit. Switzerland is both a transit country for drugs destined for other European countries and a destination for narcotics deliveries. For example, several Dutch ecstasy trafficking groups send couriers from Zurich airport to the United States to avoid increased law enforcement scrutiny of flights between Amsterdam and the United States.

Domestic Programs. Switzerland focuses heavily on prevention and early intervention to prevent casual users from developing a drug addiction. Youth programs to discourage drug use cost U.S. \$6 million annually according to the federal office of public health. Swiss authorities dispensed 185 kilograms of heroin for maintenance programs in 2001, compared to 155 kilograms in 2000. Three-fourths was in ampoules for injection, while the rest was distributed in tablet form. 1,098 addicts were enrolled in the heroin prescription program during the year (is this 2001 or 2002?), a slight increase compared to 1,038 in 2000. Three-quarters of those enrolled were male. The number of specialized heroin treatment centers also increased from 20 during 2000 to 43 in 2001, but still cover only four percent of the total drug addict population. Medical treatment costs U.S. \$14,942 per year per person (or U.S. \$41 per day), and heroin

treatment lasts on average 3.3 years. Private health insurance has the duty starting July 1, 2002 to finance heroin treatments, so the Swiss government no longer pays for it.

IV. U.S. Policy Initiatives and Programs-

On September 5, 2002, the Basle prosecutor's office, working closely with DEA embassy staff, seized U.S. \$2.8 million (SFr.4.2 million) worth of drug-related money, which then was shared between the two governments. A Basle-based bank had initially frozen the funds in June 1997 after strong suspicions that the accounts holders were connected to a well-known Brazilian criminal organization. Basle police sources credit both DEA embassy staff and DEA South American offices with strong support throughout the investigation.

Road Ahead. The United States and Switzerland will continue to build on their strong bilateral cooperation in the fight against narcotics trafficking and money laundering. In particular, the United States urges Switzerland to use experiences gained in fighting terrorist money laundering to become more proactive in seizing and forfeiting funds from narcotics money laundering. The United States also will monitor Switzerland's revisions of its narcotics law and continue to urge Swiss authorities to ratify the 1988 UN Drug Convention without reservations.

Tajikistan

I. Summary

Tajikistan is not a major producer of narcotics, but it is a major transit country for heroin and opium from Afghanistan. The opium/heroin moves through Tajikistan, onward through Central Asia, and on to Russian and other European markets. Illicit narcotics transiting Tajikistan generally do not enter the United States. The volume of drugs following this route via multiple methods of transportation—primarily land-based—is significant and growing. Despite an increase in seizure totals during the first six months of 2002, figures near year's end indicated that the volume of drugs seized during the whole of 2002 would be lower than the previous year's totals. This marks the first drop in seizures in three years, which, given reports of a bumper harvest of Afghan opium, demonstrates the growing problem facing the Government of Tajikistan (GOT) as it attempts to combat drug trafficking and other narcotics-related problems in a coordinated manner.

Abuse of heroin, opium, and cannabis in Tajikistan is a minor but growing problem. Tajikistan's medical infrastructure is highly inadequate and cannot address the population's growing need for addiction treatment and rehabilitation. The GOT remained committed during the year to implementing a counternarcotics strategy and cooperative programs with the UN Office on Drugs and Crime (UNODC) as well as a growing number of bilateral donors. It has also participated in the UN Six Plus Two counternarcotics initiative, signing the Regional Action Plan, which it helped to draft. Tajikistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Geography and economics continue to make Tajikistan an attractive transit route for illegal narcotics. Its riverine border with opium-producing Afghanistan, which is dominated by mountainous terrain, is thinly guarded, difficult to patrol and easily crossed without inspection at a number of points. Tajikistan's economic opportunities are limited by a lack of domestic infrastructure and the fact that its major export routes transit neighboring Uzbekistan, which has often closed its borders to combat a perceived instability from Tajikistan. Additionally, the GOT's efforts to strengthen rule of law and combat illegal narcotics flows are hindered by criminal networks that came to prominence during the 1992-97 civil war, and the GOT's own lack of revenue to adequately support law enforcement efforts. With the average monthly income in the country around U.S. \$10, the temptation to become involved in narcotics-related transactions remains high for many segments of society. In-country cultivation of narcotic crops is minimal, and neither the GOT nor the USG are aware of any processing or precursor chemical production facilities. The small amount of precursor chemical imports is closely monitored by the GOT and is essentially limited to five in-country industrial sites that use such chemicals.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The Presidential Office's Drug Control Agency (DCA), created in 1999 with UNODC support, continued to implement a number of programs with the UNODC designed to strengthen Tajikistan's drug control capacity. The DCA aims to centralize the GOT's counternarcotics efforts and support drug treatment and rehabilitation efforts. During 2002, it conducted a number of operations, including several major seizures within Dushanbe itself. The GOT continued to emphasize the importance of counternarcotics law enforcement in its public declarations, regularly declaring the drug trade to be a threat equal to that of international terrorism. The GOT's resources for counternarcotics efforts remain limited, however, and the GOT itself is vulnerable to pressure from prominent traffickers, many of whom are in a position to threaten domestic stability if seriously challenged.

Accomplishments. The DCA became fully operational in April 2000 and has largely overcome many of its initial difficulties stemming from intra-governmental rivalries. It recruited and trained a capable staff, well regarded by the UNODC and the USG, and has worked to raise its profile in the country through public outreach efforts. The DCA also extended its links with international organizations and foreign states while expanding its cooperation with other Tajik security agencies. In this vein, the GOT signed joint agreements on cooperation against trafficking with Afghanistan, Kazakhstan, and Kyrgyzstan. Under the latter agreement, relevant authorities of the GOT and Kyrgyz Government conducted a number of joint operations in northern Tajikistan and southern Kyrgyzstan, respectively. GOT cooperation with Uzbekistan also took some promising steps forward during the year.

Law Enforcement Efforts. During the first 11 months of 2002, Tajikistan officials reported seizing just under 5 tons of illegal narcotics, including 3,133 kilograms of heroin and 1,025 kilograms of opium. Heroin seizures fell slightly when compared with the previous year's total for only the first ten months of the year (3.8 metric tons). Opium seizures also showed a decline compared to 2001's ten-month total of 3.6 metric tons. This continues the trend of previous years, which demonstrated a shift from traffic in opium to processed heroin. The decline in overall seizures, however, breaks the pattern of the previous three years. This is notable given the fact that seizure totals appeared to be on a record pace through the first six months of 2002, and suggests rerouting of prime trafficking routes away from Tajikistan in response, to perhaps greater interdiction success. Russian Border Forces (RBF), with have personnel stationed along the Tajik-Afghan border, continued to be responsible for over half of the total seizures in country. Both they and Tajik border forces continue to be Tajikistan's first and main line of defense against illegal narcotics trafficking. Given low pay and high incentives for corruption, they are at times unequal to the task.

Corruption. Public speculation regarding trafficking involvement by government officials is rampant, and is targeted equally at prominent figures from both sides of Tajikistan's civil war. While it is impossible to determine how pervasive drug and other forms of corruption are within government circles, salaries for even top officials are extremely low and at times clearly inadequate to support the lifestyles many officials maintain. Even when arrests are made, the resulting cases are not always brought to a satisfactory conclusion.

As a matter of policy; however, Tajikistan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances and has continued to seek international support in augmenting its efforts to combat narcotics trafficking. While accusations of drug-related and other forms of corruption are at times made, there is no direct, verifiable evidence of senior officials of the GOT engaging in, encouraging, or facilitating illicit production or distribution of such drugs or substances. The lavish lifestyles of some, as noted, do give some credence to corruption allegations.

Agreements and Treaties. Tajikistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1972 UN Convention on Psychotropic Substances. It has signed the Central Asian Counter-narcotics Protocol with the UNODC and neighboring Central Asian countries. Tajikistan is a party to the World Customs Organization's International Convention on Mutual Administrative Assistance for Prevention, Investigation, and Repression of Customs Offenses (the Nairobi Convention), Annex X on Narcotics Cases. Tajikistan signed the UN Convention against Transnational Organized Crime in December 2000 and ratified both the convention and its related protocols in July 2002.

Cultivation/Production. Opium poppies and, to a lesser extent, cannabis, are cultivated in very limited amounts, most in the northern Aini and Panjakent districts. Opium cultivation has been limited by law enforcement efforts and because it has been far cheaper and safer to cultivate opium poppies in neighboring Afghanistan.

Drug Flow/Transit. An estimated 80 percent of the narcotics produced in Afghanistan are smuggled across the border into Tajikistan's Shurobod, Moskovski, and Pyanj districts, according to GOT statistics. While the GOT may be overestimating the percentage of Afghanistan's drug production that transits

Tajikistan—especially in view of the sharp increase in use of the western/Turkmenistan route—the total volume of drugs is certainly high. One UN estimate put the amount of heroin from Afghanistan going through the country at roughly 30 to 50 tons a year. Hashish from Afghanistan also transits Tajikistan en route to Russian and European markets.

Domestic Programs (Demand Reduction). The DCA continued to expand and develop its initiatives aimed at increasing drug awareness, primarily among school children. The GOT also publicly acknowledged and encouraged the involvement of domestic and international non-governmental organizations (NGOs) in this effort. However, the number of young addicts continues to grow—over 60 percent of Tajikistan’s drug addicts fall into the 18-30 age group. The DCA also significantly expanded its public advocacy efforts in mass media outlets.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG is committed to providing counternarcotics and law enforcement training to Tajikistan. Improved stability in the region allowed U.S. officials to significantly increase their presence in Tajikistan, thereby creating an opportunity for expansion of bilateral counternarcotics efforts. In May, the U.S. Customs Service provided border interdiction training in the U.S. for officers of the DCA and the Tajik Customs Service. U.S. Customs followed this program in September with a train-the-trainer seminar in Dushanbe, focused on narcotics detection and analysis techniques. The USG also provided training for a number of Tajik law enforcement officials through the International Law Enforcement Academy in Budapest. In addition to these efforts, officials from the U.S. Embassy in Dushanbe and Drug Enforcement Administration (DEA) Tashkent Office regularly met with GOT counterparts to discuss narcotics control efforts. Building on these discussions, in December, Tajik President Emomali Rahmonov and DCA Chief Rustam Nazarov both held consultations in Washington to examine opportunities for possible future cooperation.

The Road Ahead. The UNODC is likely to remain the principal agency supporting counternarcotics efforts in Tajikistan. The United States will continue to provide law enforcement training and equipment as appropriate, encourage similar support from Western European countries, and promote regional cooperation as essential to improve counternarcotics performance for all countries in the region. Whatever the challenges engendered by the resumption of opium production in Afghanistan following the removal of the Taliban, the USG remains committed to working with the GOT to increase its law enforcement and counternarcotics capabilities.

Turkey

I. Summary

Turkey is a major transit route for Southwest Asian opiates moving to Europe, and serves as a base of operations for major narcotics traffickers and brokers. Turkish law enforcement organizations continue to focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. Turkish forces cooperate closely with European and U.S. agencies to combat trafficking. While most of the heroin trafficked via Turkey is marketed in Western European countries, an increasing amount of heroin and opium also is smuggled from Turkey to the U.S. There is no appreciable cultivation of illicit narcotics in Turkey other than marijuana grown primarily for domestic consumption. The USG is unaware of any diversion from Turkey's licit opium poppy cultivation and pharmaceutical morphine production program.

Turkey is a party to the UN 1988 Drug Convention. Turkey is an active member of the Financial Action Task Force (FATF). The U.S. terminated its U.S. \$500,000 annual assistance program with Turkey at the end of FY 1999 due to Turkey's refusal to accept human rights language (related to the Leahy Amendment) in the bilateral letter of agreement.

II. Status of Country

Turkey is a major transshipment and refining center for heroin. Turkey also serves as a base of operations for international narcotics traffickers and associates who control the smuggling and trafficking of opium, morphine base, heroin, precursor chemicals and other drugs. The majority of opiates trafficked through Turkey originate in Afghanistan, and are ultimately shipped to Western Europe. A smaller amount of heroin is trafficked to the U.S. via Turkey.

Turkish law enforcement and counternarcotics forces are strongly committed to disrupting narcotics trafficking. Turkish counternarcotics forces continue to increase in sophistication, including their ability to conduct controlled deliveries domestically and internationally. The Turkish National Police remains Turkey's most sophisticated counternarcotics force, while the Jandarma and Customs are increasing their efficacy.

Turkish authorities seize large amounts of heroin and precursor chemicals, such as acetic anhydride. Multi-ton amounts of heroin are processed in or smuggled through Turkey each month.

Turkey is one of the two traditional licit opium-growing countries as recognized by the U.S. Government and the International Narcotics Control Board (INCB). There is no appreciable illicit drug cultivation in Turkey other than marijuana grown primarily for domestic consumption. The Turkish Government maintains strict control over its licit poppy program, which provides opiates for the international pharmaceutical market.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In February 2002, DEA and the Turkish National Police hosted the Southwest Asia Heroin Strategy Conference in Ankara. This meeting led to the development of Operation Containment, a regional program aimed at reducing the flow of Afghan heroin to Western Europe. The DEA and Turkish National Police then hosted a follow-up meeting in Ankara in May 2002 to assess preliminary results.

Accomplishments. The Turkish International Academy against Drugs and Organized Crime (TADOC), which was established under the initiative of the UN and the Turkish National Police in 2000, trained 1,563 participants in 2002, 196 of them being non-Turkish law enforcement officers.

Law Enforcement Efforts. During 2002, Turkish law enforcement agencies, including the Turkish National Police, the Jandarma, Customs and the Coast Guard, conducted successful operations and seized over 2.75 metric tons of heroin and 7.9 metric tons of morphine base, 6.8 metric tons of cannabis, 8.68 million pills of Captagon, 99,000 Ecstasy tablets, and 49.6 thousand liters of the heroin precursor chemical, acetic anhydride. Included in the above seizure figures is a March 2002 seizure by Turkish authorities of 7,454 kilos of morphine base as a result of a DEA-Jandarma joint investigation. This was the largest seizure of morphine base ever in Turkey. Authorities took 9652 individuals into custody in drug-related arrests in 2002.

Corruption. The Anti-Corruption Supervisory Committee, which was established in 2001, submitted an “Action Plan on Increased Transparency and Efficient Administration in Turkey” to the Council of Ministers in 2001. The Council of Ministers approved the action plan in January 2002 and established a monitoring commission comprised of the related ministers.

The new government, which was elected in November 2002, committed in its “action plan” to secure parliamentary approval of the Council of Europe’s Criminal Law Convention on Corruption and its Civil Law Convention on Corruption as well, and to participate in the Council of Europe’s Group of Countries Against Corruption (GRECO), the body responsible for implementing these instruments.

Agreements and Treaties. Turkey is a party to the 1988 UN Drug Convention. It signed the UN Convention on the Suppression of Terrorist Financing in September 2001, and the Turkish parliament ratified the convention in June 2002. An extradition and mutual legal assistance treaty is in force between the United States and Turkey.

Cultivation/Production. Illicit drug cultivation, primarily marijuana, is minor and has no impact on the United States. Licit opium poppy cultivation is strictly controlled by the Turkish Grain Board (TMO), with no diversion into illicit channels.

Drug Flow/Transit. Turkey remains a major route, as well as a storage, production and staging area, for the flow of heroin to Europe. Turkish-based traffickers and brokers operate directly and in conjunction with narcotic smugglers, laboratory operators, and money launderers in and outside Turkey. They finance and control the smuggling of opiates (whether in the form of opium, morphine base, or heroin) to and from Turkey.

Afghanistan is the original source of most of the opiates reaching Turkey. Morphine and heroin base are smuggled by vehicles from Pakistan via Iran to Turkey. Multi-ton quantities of opiates and hashish have been smuggled by sea from Pakistan to points in Turkey along the Mediterranean, Aegean, and/or Marmara seas. Opiates and hashish also are smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia.

Traffickers in Turkey illegally acquire the precursor chemical acetic anhydride, which is used in the production of heroin, from sources in Western Europe, the Balkans and Russia. From July 1, 1999, to December 31, 2002, over 94 metric tons of acetic anhydride was seized in or destined for Turkey.

Traffickers control and operate the illicit laboratories refining morphine base into heroin at various locations in Turkey. Some of them reportedly have interests in heroin laboratories operating near the Iranian-Turkish border in Iran. The ready availability of opiates originating from Afghanistan and precursor chemicals from other countries enables major traffickers in Turkey to continue to operate illicit laboratories converting morphine base into heroin. These heroin laboratories enable Turkish-based traffickers to control much of the heroin marketed to Western Europe.

Demand Reduction. While drug abuse remains low in Turkey compared to other countries, the number of addicts has increased in recent years. Although the Turkish Government is increasingly aware of the need to combat drug abuse, the agencies responsible for drug awareness and treatment remain underfunded. There are a total of five Alcohol and Substance Abuse Treatment Clinics (AMATEM) in Turkey, which serve as regional drug treatment centers. Due to lack of funds, only one of the centers focuses on drug prevention as well as treatment. The most recent drug abuse survey was prepared in 1995.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy remains to strengthen Turkey's ability to combat narcotics trafficking, money laundering and financial crimes. Through fiscal year 1999, the U.S. Government extended U.S. \$500,000 annually in assistance to provide commodity and training assistance to the Turkish National Police and Jandarma; training and equipment to Turkish Customs to improve border interdiction; commodity and training to the Turkish Grain Board and training to the Turkish Financial Crimes Investigation Board.

On February 7, 2002, DEA presented the Turkish National Police and the Turkish Government with an asset sharing check for U.S. \$264,846. This money was part of more than U.S. \$2 million seized by DEA in the course of a long-term, multinational criminal investigation that culminated in 1995 with coordinated arrests in the U.S., Turkey, Holland, and Germany. Turkish government cooperation was key to this case; the Turkish National Police contributed critical evidence without which many of the convictions in this case would not have been possible.

Road Ahead. With the election of a new government in November 2002, many of the key government officials responsible for counternarcotics and money-laundering may be replaced. The U.S. Mission in Turkey intends to engage any new officials, and work with the new government to help combat drug trafficking, money laundering, and corruption.

Turkmenistan

I. Summary

Largely due to its proximity to Afghanistan, Turkmenistan remains a vital transshipment route for traffickers seeking to smuggle narcotics to Turkish, Russian and European markets. However, Turkmenistan is not a major producer or source country for illegal drugs or precursor chemicals. Turkmenistan shares a rugged and remote 1180-kilometer border with Afghanistan and an 800-kilometer boundary with Iran. Counternarcotics efforts in Turkmenistan are carried out by several agencies including the Ministry for National Security, State Customs and Border Guards. The Government of Turkmenistan (GOTX) continues to publicly commit itself to counternarcotics efforts; however, its law enforcement agencies are hampered by a widespread lack of resources, training and equipment. Turkmen officials speculate that smuggling organizations may be returning to more traditional routes through its southern border with Iran due to the increase in military operations and ongoing tension along the Afghan-Iranian border. Anecdotal evidence and contacts with government officials and non-governmental organizations strongly suggest that domestic drug abuse is steadily increasing, although concrete statistics are difficult to obtain. Turkmenistan is a party to the 1988 UN Drug Convention but has not yet met the Convention's goals.

II. Status of Country

Turkmenistan remains a key transit country for the smuggling of narcotics and precursor chemicals. The flow of Afghan opiates destined for markets in Turkey, Russia and Europe enter Turkmenistan from Afghanistan, Iran, Pakistan, Tajikistan and Uzbekistan. The bulk of Turkmen law enforcement resources and manpower are directed at stopping the flow of drugs from Afghanistan. Turkmen law enforcement authorities at the Turkmen-Uzbek border are primarily focused on interdiction of smuggled commercial goods, thus providing an attractive transshipment route for narcotics smugglers. Commercial truck traffic from Iran continues to be heavy. Caspian Sea ferryboat traffic from Turkmenistan to Azerbaijan and Russia continues to be a viable smuggling route; however, specific seizure statistics along this route are not available. Turkmenistan Airlines operates international flights connecting Ashgabat with a number of major cities that could be used by traffickers. .

During the past year, the Government of Turkmenistan (GOTX) has focused its counternarcotics efforts along the mountainous Afghan border, as well as along Turkmenistan's porous frontier with Uzbekistan, which had been left largely unguarded until August 1999. The GOTX reported increases in drug seizures along the Uzbek border for 2002. The majority of those arrested were Turkmen citizens attempting to smuggle heroin or opium through legal border crossing points. Contraband was usually hidden on the smuggler's body or concealed in cars or buses. Anecdotal reports and official contacts indicate that trucks and railcars transport large consignments of narcotics out of Turkmenistan. Following the U.S.-led military operation in Afghanistan, Turkmen officials reported a considerable drop in the number of large-scale drug seizures along the Turkmen-Afghan frontier at the two border entry points. Turkmen officials speculate that smuggling organizations may be returning to more traditional routes through Iran.

Although the majority of Turkmen drug seizures on the Afghan border continue to involve confrontations with heavily armed smugglers, Turkmen authorities continued to report a decline in such activity. GOTX officials attributed this to increased Turkmen law enforcement presence in the Afghan border area and adjustments by traffickers, shifting transit to Uzbekistan. Turkmen authorities have also reported that smugglers have reduced efforts to move drugs by illegal border crossings, instead moving their product via legal entry points in hidden compartments in vehicles and in containerized cargo..

With the commencement of U.S.-led military operations in Afghanistan, the domestic street price for illegal drugs in Turkmenistan increased dramatically. According to official contacts, heroin base narcotics sold for approximately U.S. \$15 per gram and opium approximately U.S. \$2 per gram pre September 2001. By early 2002, the street price for heroin-based narcotics had increased to nearly six times the normal price (N.B. Police sources suggest that the average street purchase in 2002 ranged between 0.4 and one gram, constituting 20 to 40 doses).

Turkmen law enforcement continues to engage in operations to prevent the smuggling of the precursor chemical Acetic Anhydride (AA) through its borders. These efforts are primarily focused around the large rail and truck border crossing point at Serhetabad (formerly Kushka) on the Afghan border. Turkmen officials made large AA seizures between 1998 and 2000 (eight metric tons at the Serhetabad border alone). However, to date the GOTX has failed to make available any details regarding these significant AA seizures in Turkmenistan. In June 2001, the U.S. Embassy requested specific and detailed information regarding nearly 146 tons of AA produced in India that had been seized in Turkmenistan.

In the past year, Turkmen authorities have arrested an increasing number of internal body smugglers, mostly Turkmen or Tajik citizens, at legal crossing points on the Uzbek border. These arrests typically involved attempts to conceal contraband by swallowing small amounts of heroin.

Turkmenistan remains vulnerable to efforts of criminal organizations that might seek to launder money through the several foreign-operated hotels and casinos in Ashgabat. With an official exchange rate of 5.250 Manats/U.S. \$ and an unofficial rate of four times that, Turkmenistan represents a relatively easy environment in which to conceal proceeds from criminal activities..

The manufacture, possession, sale and use of illicit narcotics are illegal under the Turkmen criminal code, which went into effect in 1997. Although the code allowed for the death penalty in certain trafficking cases, President Niyazov's 1999 moratorium on capital punishment remains in effect. Those convicted of possession of even small amounts of illegal drugs are routinely sentenced to eight to ten years in prison; these sentences are mitigated by the President's annual custom of granting amnesty to all but the most hardened criminals in celebration of the new year and the end of Ramadan.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Turkmen law enforcement authorities may search for drugs and other contraband, unconstrained even by relatively recent requirements to secure search warrants from a government-appointed commission. The President of Turkmenistan proclaimed the twenty first century "The century without drugs" to demonstrate Turkmenistan's commitment to controlling narcotics. The recently established State Coordinating Committee on Drug Addiction(SCCDA)has not yet undertaken any concrete initiatives and activities in support of the GOTX's National Action Plan on Drug Control.

Accomplishments. There were no significant accomplishments in the national sphere. In an effort to strengthen regional cooperation in the area of counternarcotics efforts, Turkmenistan hosted an UNODC-sponsored fourth review meeting of high-level officials on the Memorandum of Understanding (MoU) in Sub-regional Drug Control Cooperation in Central Asia in Ashgabat on December 13 and 14, 2002 (Turkmenistan became a party to the MoU in 1996). The meeting endorsed a UNODC suggestion to establish a regional intelligence and coordination center.

Law Enforcement Efforts. The GOTX continues to give priority to counternarcotics law enforcement. Despite a lack of resources, Turkmen border forces are fairly effective in detecting and interdicting illegal crossings by armed smugglers. According to GOTX officials, female border guards along the Turkmen border checkpoints are used to effect searches of suspected female traffickers. Nearly half of all traffickers arrested at border crossings are female.

Official statistics are available only for the first five months of 2001; no 2002 figures have been reported. In the first five months of 2001, Turkmen law enforcement agencies detained 169 border violators and

seized 1298 kilograms of narcotics (opiates and hashish). In 2000 reported seizures were 5,245 kilograms of hashish, 129 kilograms of opium, and 50 kilograms of heroin. GOTX officials also reported seizures of cocaine, poppy seed, poppy straw, marijuana, and Acetic Anhydride (AA) in Turkmenistan during 2002, but they provided no figures.

U.S. Customs provided extensive training to border control agencies in 2002 in order to interdict weapons of mass destruction (WMD). Such training included border interdiction methods, laboratory analysis, and investigative techniques. This training was concurrent with delivery of high-tech detection equipment. U.S. Customs currently has a full-time advisor resident in Turkmenistan to assist with further equipment delivery and training. This training, advisory assistance, and equipment is expected to have spin-off benefits for narcotics detection.

Corruption. Accurate information concerning police corruption in Turkmenistan is difficult if not impossible to obtain. However, the low salaries of Turkmen law enforcement officials, combined with their broad general powers, fosters an environment conducive to corruption. Furthermore, a palpable general distrust of the police by the Turkmen public, bolstered by anecdotal evidence of police officers soliciting bribes under the guise of routine traffic stops, suggests that corruption among Turkmen law enforcement officials is widespread. The USG has no reliable evidence of involvement of senior Government of Turkmenistan officials in drug-related corruption, but payments to lower level officials to facilitate passage of smuggled drugs at border crossing points is likely. It is impossible to discern how high up the chain of authority such payments may reach.

Agreements and Treaties. Turkmenistan is a party to the 1998 UN Drug Convention, the 1961 UN Single Convention and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

Cultivation and Production. Turkmenistan is not a significant producer of illegal drugs, although small-scale opium cultivation is thought to occur in remote mountain and desert areas. Each spring, the GOTX conducts limited aerial inspections of outlying areas in search of illegal poppy cultivation. Upon discovery, opium crops are eradicated by Turkmen law enforcement. Some sensitive sources within the GOTX report that the Indian cannabis plant is cultivated in remote areas on small patches, particularly in the mountain village of Gary Gala, 304 kilometers to the west of the capital of Ashgabat in the Kopet Dag mountain range and, on a larger scale, in Takhta Bazar, a village 541 kilometers to the east of Ashgabat. This illicit cultivation is solely for domestic consumption. Much of the country's male population smokes the dried flowering tops of the hemp. Data on potential cannabis yield and the level of its abuse is unavailable.

Drug Flow/Transit. Turkmenistan remains a primary transit corridor for smuggling rings seeking to transport opium and heroin to markets in Turkey, Russia and the whole of Europe and for the shipment of precursor chemicals to drug producing countries. According to GOTX officials, the quantity of drugs intercepted this year along the Afghan border has been very little due to border fortifications and interdiction efforts which, are deterring traffickers.

Turkmenistan's nearly 1800-kilometer Uzbek frontier remains thinly staffed by border guard forces when compared to its borders with Afghanistan and Iran. In addition, the Uzbek border has many legal crossing points that are poorly-equipped in comparison to those on its Afghan and Iranian frontiers. GOTX officials have expressed concern to Embassy officers that the Uzbek frontier has increasingly become an attractive alternative for smugglers seeking to circumvent more stringent controls on Turkmenistan's southern borders in the wake of ongoing coalition military operations.

Turkmenistan's two major border control agencies, State Customs and the Border Guards, are significantly handicapped in carrying out their drug enforcement duties by inadequate resources, facilities and equipment. Most Turkmen border crossing points have only crumbling, rudimentary inspection facilities for screening vehicle traffic. They lack reliable communications systems, computers, unloading and x-ray equipment, or dogs trained in narcotics detection. Despite these difficulties, Turkmen law enforcement does a creditable job of drug interdiction.

Domestic Programs/Demand Reduction. Anecdotal evidence suggests a steady increase in the domestic user population, particularly in the capital of Ashgabat and the second largest city of Mary. While officials are reluctant to provide data, reports indicate that the quality of heroin continues to be very poor. Officials also reported that 98 percent of the heroin users in Turkmenistan are smoking the narcotic, rather than injecting it intravenously. However, sources reported needles and throwaway syringes are easily obtainable and are regularly shared by those users who chose to inject. Government officials report that the heroin problem has stabilized since 1998-1999; however, street contacts unequivocally report that heroin abuse continues to escalate and that abusers have little fear of being caught or prosecuted. The Turkmen Ministry of Health estimates that approximately fifteen percent of the adult population (18 to 65) uses illegal drugs, though unofficial estimates put the user population at twenty percent (up somewhat from last year's estimates).

Currently, the Ministry of Health operates six drug treatment clinics located in the capital of Ashgabat and each of the country's five provinces. Narcotics users receive treatment at these clinics, and all clinic visits are kept confidential. The GOTX has permitted the implementation of a UNDCP/UN Aids project for the prevention of drug abuse, AIDS, and sexually transmitted disease among youth in Turkmenistan. The project calls for a drug abuse assessment of five to six Turkmen cities.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Despite difficulties in substantive engagement with the GOTX in areas relating to security and law enforcement, the USG continually seeks to assist Turkmenistan in updating its body of law and law enforcement institutions to more effectively counter the illegal drug trade. In July 2002, the U.S. Drug Enforcement Administration (DEA) conducted a one-week forensic chemist seminar on narcotics with GOTX law enforcement officials in Ashgabat. A total of nineteen participants representing the Ministry of Justice, the Prosecutor General's Office, and the Ministry for National Security of Turkmenistan attended the seminar. Five GOTX law enforcement officers from the State Customs and the Border Guards Service attended a one-week regional airport operations seminar conducted by the DEA in Tashkent, Uzbekistan, from August 5 to 9, 2002. To enhance the use of forensic analysis of evidence gathered by Turkmen law enforcement agencies during the conduct of criminal investigations, the USG has scheduled a forensic development program for late 2003 administered by the U.S. Department of Justice's International Criminal Investigative Training Assistance Program.

The USG and the GOTX signed a bilateral agreement specifically focusing on improving criminal investigations through the scientific and forensic analysis of evidence. Under the terms of this agreement, equipment and additional training will be provided in the future.

The Road Ahead. In the coming year, the USG will continue to cooperate with Turkmenistan in its fight against the illegal drug trade. This will be accomplished primarily by working with international and non-governmental organizations and programs, such as UNODC and the American Bar Association, to enhance the ability of Turkmen judicial and legal institutions to combat narcotics smuggling organizations and the crime associated with illegal drugs. The USG will also encourage the GOTX to institute long-term demand reduction efforts and will foster supply reduction through interdiction training, law enforcement institution building, the promotion of regional cooperation, and an exchange of drug-related intelligence. To this end, the USG plans to continue its efforts to train Turkmen counternarcotics law enforcement officials. In 2003 the USG plans to conduct training for Turkmen officials in the fields of forensic chemistry, drug enforcement, passenger interview and vehicle inspection techniques. The USG also plans to support a police academy development program.

Ukraine

I. Summary

Trafficking and use of narcotics continued to increase in Ukraine in 2002. The Government of Ukraine (GOU) continued to take effective steps to limit illegal cultivation of poppy and hemp. The transit of narcotics through Ukraine remains a problem. Ukraine is a party to the 1988 UN Drug Convention, and it follows the provisions of the Convention in its counternarcotics legislation. Combating narcotics trafficking continues to be a national priority for law enforcement bodies, though a lack of economic resources seriously hinders Ukrainian efforts. Coordination between law enforcement agencies responsible for counternarcotics work has improved, but still remains a problem due to regulatory and jurisdictional constraints.

II. Status of Country

Ukraine is not a major drug producing/transit country; however, Ukrainian officials state that trafficking of narcotics through Ukraine to Western Europe has increased due to its location on a significant transit route for Afghan heroin. Domestic use of narcotics is also rising and the number of drug addicts is increasing. Ukraine is a significant transit corridor for narcotics originating in Central and Southwest Asia (Afghanistan), as well as for drugs transiting from Central and Eastern Europe. Numerous available ports on the Black and Azov seas, porous borders, and poorly financed and under-equipped border and customs control forces make Ukraine susceptible to drug trafficking.

According to official statistics for 2002, approximately 42,000 individuals were apprehended in criminal cases involving narcotics, an increase of 7000 over 2001. Unemployed persons under the age of 30 committed most crimes connected with drugs.

The number of officially registered drug addicts in Ukraine now exceeds 78,000, including almost 1000 teenagers. The total figure is an increase of approximately 5000 over 2001, although the number of teenage addicts reported declined by over 12 percent. The number of unregistered abusers is estimated to be more than five times that number. Drug addiction results in more than 1,000 deaths every year, according to Ukrainian health authorities. Marijuana continues to gain popularity with young people. Nevertheless, opium straw extract remains the main drug of choice for Ukraine addicts. Young people are using synthetic drugs more frequently. Hard drugs such as cocaine and heroin are still too expensive for Ukrainian drug users, but law enforcement officials indicate a rise in heroin use due to the continued decrease in prices for this drug. Ukrainian efforts to combat narcotics are seriously hampered by a lack of resources (e.g., financing, personnel and equipment).

III. Country Actions Against Drugs in 2002

Policy Initiatives. Over the past six years the Ukrainian parliament passed several drug control laws. The laws are well-drafted and constitute a solid legal basis for combating narcotics effectively. These laws are in line with the 1988 UN Drug Convention.

Under this legislation, the counternarcotics enforcement responsibility is given to the Ministry of Interior (MVS), the State Security Service (SBU), the State Customs Service, and the Border Guards. The Drug Enforcement Department (DED), an independent department within the MVS, reports directly to the Minister of Interior and is staffed by 1,725 personnel. Despite understaffing, the DED has achieved positive results in combating drug trafficking.

The National Counternarcotics Coordinating Council, established in the Cabinet of Ministers to coordinate the efforts of government and public organizations to combat drugs, is currently drafting a

revised counternarcotics program for the period through 2008. The main objective of the program is to make qualitative changes in the national strategy for combating narcotics. Although many of the measures in previous national counternarcotics plans were constrained by lack of funding, the MVS is giving a high priority to counternarcotics actions and is providing overall support to the maximum extent available.

Drug trafficking groups are increasingly using Ukrainian seaports to transit drugs to the West. Therefore, the government is increasing activities by the SBU and other agencies to interdict the shipment of drugs by sea. Authorities have also increased counternarcotics measures to interdict drugs at Ukrainian airports.

In 2001, Ukraine became an observer nation in the South East Europe Cooperative Initiative (SECI) Organized Crime Center. The member nations and observer countries are pooling their limited resources effectively and successfully to confront regional drug trafficking and other criminal threats to the area. As an observer nation, the United States provides technical expertise and financial assistance to SECI's efforts.

Accomplishments. The Ministry of Health and the Ministries of Education And Culture are working with the Ministry of Internal Affairs to intensify counternarcotics educational programs. A pilot project approved by the Ministry of Health directed at demand reduction operates in Donetsk Oblast; it dispenses methadone to addicts.

In 2002 Ukrainian law enforcement bodies succeeded in breaking up more than 3100 criminal groups involved in drug activities. Operation "Containment," carried out in cooperation with SECI, has had notable successes at interdicting drug smuggling into and through Ukraine. In April about 1,200 metric tons of contraband drugs were seized in Odessa, as well as 2,000 metric tons of cocaine precursors. The operation is now expanding to devote greater attention to means of land transportation such as trains, although additional coverage of ports remains a critical need. Operations against synthetic drugs led to the September closure of a laboratory in Sevastopol which had been manufacturing a powerful synthetic 40 times more concentrated than heroin. Ukrainian authorities pointed out that, due to the high potency of the drug (one gram can yield 20,000 doses), the twenty kilograms seized would have been enough to dose ten percent of the world's population. Also in September 8 tons of opium poppies were destroyed in the Dniepropetrovsk region. In July a regional Black Sea network of 46 drug smugglers was broken up, which resulted in the seizure of over 2,300 kilograms of narcotics (including 578 kilograms of heroin) and over 1.5 tons of precursors.

Law Enforcement Efforts. Cooperation between law enforcement agencies involved in counternarcotics efforts (mainly MVS, SBU, Customs, and Border Guards) is improving, though it is still severely hampered by conflicts over investigative jurisdiction. During the first nine months of 2002, Ukrainian law enforcement agencies were successful in seizing approximately 29 tons of narcotic drugs. This included in-country seizures of 206.6 kilograms of heroin, 4.2 tons of cannabis, 102 kilograms of other opiates (including 34 liters of opium extract), 23 tons of opium poppy straw, 32,564 doses of "ecstasy and ATS," 606 kilograms of psychotropic drugs, and 1,574 tons of illegally diverted precursor chemicals.

Corruption. Ukrainian politicians and private citizens, as well as international experts point out that corruption remains a major problem. Corruption in Ukraine is rarely linked with narcotics, although it decreases the effectiveness of efforts to combat organized crime, a major factor in the narcotics business. To combat corruption, the Ukrainian government has adopted an extensive set of laws and decrees. At the beginning of 2001, the government approved a national plan of action to combat corruption, but progress in implementation has been slow.

Agreements and Treaties. Ukraine is a party to the 1988 UN Drug Convention and has also signed specific counternarcotics project agreements with the UNODC. Ukraine is a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The U.S.-Ukraine Mutual Legal Assistance Treaty came into force in February 2001. Ukraine signed the UN Convention against Transnational Organized Crime in December 2000 and signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons and the Protocol against the

Smuggling of Migrants in November 2001. A 1989 memorandum of understanding and a 1990 agreement between the United States and the USSR, both of which address narcotics, apply to Ukraine. The U.S. and Ukraine signed a Memorandum of Understanding on Law Enforcement Assistance in December, 2002.

Cultivation/Production. Opium poppy is largely grown in western, southwestern, and northern Ukraine, while hemp cultivation is concentrated in the eastern and southern parts of the country. Small quantities of poppy and hemp are grown legally by licensed farms, which are closely controlled and guarded. The Cabinet of Ministers approved such cultivation for the food industry in late 1997. Despite the prohibition on the cultivation of drug plants (poppy straw and hemp), 5000 cases of illegal cultivation by private households were discovered.

Drug Flow/Transit. Ukraine continues to experience an increase in drug trafficking from Central and Southwest Asia, Russia, Romania, Moldova, and Poland. Criminal groups use Ukraine's seaports as part of the "Balkan Route" for smuggling narcotic drugs. During the last two years, more than 45 conspiracies relating to international drug trafficking were broken up. Shipments are usually destined for the west, and arrive by road, rail, or sea. While opium and marijuana are mostly produced locally, synthetic drugs are usually imported from Romania, Hungary, Poland, Germany, and other European countries.

Domestic Programs (Demand Reduction). Ukrainian officials are trying to reduce drug demand through preventive actions at schools, because most Ukrainian drug abusers are under the age of 30. Drug information centers have been opened in the cities with the highest levels of drug abuse. NGOs operating with assistance from international institutions have conducted a number of rehabilitation programs throughout the country.

IV. U.S. Policy Initiatives and Programs

U.S. objectives are to assist Ukrainian authorities to develop effective counternarcotics programs in interdiction (particularly of drugs transiting the country), investigation, and demand reduction, as well as to prevent Ukraine from becoming a money laundering center. The DEA, the Department of Treasury, and the Department of Justice have sponsored a number of training courses and conferences in such areas as drug interdiction, forensic science, money laundering, and management training. U.S. Customs provided Ukraine border control agencies with mid-management training on weapons of mass destruction (WMD) threat awareness, border interdiction and investigative issues at the Pacific Northwest Nuclear Laboratory (RADACAD) in Washington state. The United States has provided technical assistance in the drafting of the new Ukrainian money laundering legislation.

The Road Ahead. By international standards, Ukraine does not yet have a major drug problem. However, trafficking of narcotic drugs from Asia and the cocaine regions of Latin America to European destinations through Ukraine is increasing as drug traffickers look for new ways to circumvent Western European customs and border controls. Demand reduction and treatment of drug abusers remain problems requiring close attention. Law enforcement agencies need continued assistance in modern techniques to fight drug trafficking. In spite of financial problems, Ukrainian law enforcement agencies collaborate effectively with law enforcement counterparts from other countries.

United Kingdom

I. Summary

The United Kingdom (U.K.) is a consumer country of illicit drugs. Like other developed nations, the U.K. faces a serious domestic drug problem. The U.K. is in the fifth year of a ten-year drug strategy to address both the supply and demand aspects of illegal drug use. The U.K. strictly enforces national precursor chemical legislation in compliance with EU regulations. Crime syndicates from around the world tap into the underground narcotics market and use the U.K. as a major shipping route. Legislation introduced in October 2001 to improve the U.K.'s asset forfeiture capabilities took effect in January 2003. The U.K. is party to the 1988 UN Drug Convention.

II. Status of Country

Cannabis remains the most-used illicit drug in the U.K., but with an estimated 250,000 opiate users, a major concern is heroin and other more harmful drugs (notably powder and crack cocaine). Cocaine use seems to have been on the increase over the last five years, especially among young people. The U.K.'s latest surveys on drug use show that in 2001/02 about 12 percent of those aged 16-59 reported having used drugs in the last year, with 28 percent of 16-19 year-olds reporting drug use in the last year. Virtually all parts of the U.K., including many rural areas, confront the problem of drug addiction to at least some degree. Based on recent statistics that showed an increase in drug-related deaths, the U.K. government launched a specific Action Plan to Reduce Drug-Related Deaths on November 13, 2001. The plan calls for a three to five-year program of campaigns, surveillance, and research that will play a key role in achieving the government's objective to reduce drug-related deaths by 20 percent by 2004. The Government issued an updated drug strategy paper in November 2002 that further refines its targets for education and treatment. In December 2002, it also announced a program to specifically target crack use, the National Crack Action Plan, which will focus on breaking up supply networks, improve crack-related education programs, and expand treatment opportunities.

The National Criminal Intelligence Service (NCIS) reports that Britain faces its worst-ever threat from national and international organized crime. Drugs are linked to about 80 percent of all organized crime in London, and about 60 percent of U.K. crime overall.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In 2002 the British government continued its ten-year strategy program, first launched in 1998, that emphasizes that all sectors of society should work together to combat drugs. Drug problems do not occur in isolation, but are often linked to other social problems. Trends in responding to drug abuse with government programs reflect wider U.K. government reforms in the welfare state, education, employment, health, immigration, criminal justice, and economic sectors.

The strategy focuses on Class A (i.e., hard) drugs and has four emphases: to help young drug abusers to resist drug misuse to permit them to reach their full potential in society; to protect communities from drug-related, antisocial and criminal behavior; to enable people with drug problems to recover and live healthy, crime-free lives; and to limit access to narcotics on the streets. Key performance targets were set in each of these four areas and updated in the November 2002 drug strategy. The most controversial aspect of the updated strategy is the decision to downgrade cannabis to a Class C drug. The final legislation implementing this downgrade is expected to be enacted in mid-2003 and to also include a proposed increase in penalties for production and trafficking in all Class C substances. Notwithstanding these amendments, the U.K. government has emphasized that it continues to regard cannabis as a harmful substance and has no intention of either decriminalizing or legalizing its production, supply, or possession.

A range of drug-prevention activities that target young people has already been undertaken. In particular, a program to develop new drug-prevention services for young people at risk of drug misuse will be an integral component of the 26 Health Action Zones (a broader health-policy initiative). The U.K. is rapidly expanding treatment services and believes it is on track to meet the target of doubling the number of people in treatment by 2008. The number of people entering treatment has increased by about 8 percent per year since 1999, and an additional U.S. \$350 million (British Pounds Sterling (BPS) 214 million) has been allocated over the next three years for both community and prison treatment programs. Treatment will be based on education, harm reduction, and prescriptive and rehabilitative services that are tailored to individual needs and supported by the health and social care agencies. By March 2004, the U.K. plans to have drug education policies and education programs in all schools and, by March 2006, will complete a quality assessment of all programs and materials, introducing improvements as needed.

Legislation was passed in 2000 under the Criminal Justice and Court Services Act, which gives police the power to test criminal suspects for Class A drug use when an offense may be linked to hard-drug misuse. Courts will be required to weigh a positive test result when deciding bail, and testing will be extended to offenders serving community sentences and those on parole.

Expenditures under the updated drug strategy will increase 21 percent from a planned U.S. \$1.7 billion (BPS 1.026 billion) in 2002 to U.S. \$2.05 billion (BPS 1.24 billion) in 2003, followed by annual increases to U.S. \$2.5 billion (BPS 1.5 billion) by April 2005. Drug treatment expenditures are targeted to increase 31 percent by 2005, and expenditures on programs for young people will rise 59 percent. The largest increase will come in spending on community programs – 234 percent.

Accomplishments. The Drug Treatment and Testing Order is a community-based sentence, authorizing local courts to require offenders to undergo treatment and submit to mandatory and random drug testing. The Order began as a pilot program in September 1998 in three areas of England. In October 1, 2000, after the pilot program demonstrated that the combination of treatment and random testing (to monitor progress) significantly reduced illegal drug use and criminal activity of offenders subject to the Order, it was rolled out nationally in England and Wales. By March 2001, over 1,200 orders had been made, with an additional 4,851 orders made between April 2001 and March 2002. All police forces in England and Wales now have arrest referral schemes aimed at identifying drug abusers at the point of arrest and referring them into treatment or other programs. Between October 2000 and September 2001 (latest figures), arrest referral workers screened 48,810 arrestees in England and Wales. Over half (51 percent) had never previously received drug treatment.

In January 1999, the Home Secretary announced a new initiative to reduce smuggling of drugs into prisons, and the government launched a prison service drug treatment program. Counseling, assessment, referral, advice, and care/treatment services (CARATs) are now available in every prison in England and Wales and the annual caseload is likely to exceed the target of 20,000 full assessments for 2002.

Law Enforcement Efforts. U.K. forfeiture law (known in U.K. law as “confiscation”) applies to proceeds of all indictable offenses and a small number of specified offences. The United States enjoys good law enforcement cooperation from the U.K.. The U.K. honors U.S. asset seizure requests and was one of the first countries to enforce U.S. civil forfeiture judgments. In response to a request from Prime Minister Blair to assess the Government’s efforts at confiscating criminal proceeds, in June 2000, the Cabinet Office of Performance and Innovation Unit (PIU) published a detailed report entitled “Recovering the Proceeds of Crime.” The report essentially criticized the effectiveness of the U.K.’s efforts both in pursuing and collecting on confiscation orders and found that existing powers to accomplish that task were under-used. The PIU among other things, proposed the creation of a national confiscation agency dedicated to recovering criminal assets, the adoption of civil forfeiture laws, and the promotion of greater international cooperation. Incorporating many of the recommendations in the PIU report, the Proceeds of Crime Bill was enacted in July 2002. The U.K. government has also published its first Asset Recovery Strategy.

There is a significant lag in the appearance of drug seizure statistics in the U.K.. The latest full-year statistics available are from CY2000, but trends apparent in these statistics continued through 2002. In 2000, the total number of seizures of “Class A”, hard drugs rose by 10 percent from the preceding year. Heroin was the most frequently seized Class A drug, followed by ecstasy, powder cocaine, and crack cocaine. U.K. authorities seized 3,382 Kg. of heroin in 2000, a 44 percent increase over 1999, and a new record. Cocaine and crack seizures together totaled a record 3,970 Kg in 8,620 cases. Ecstasy seizures were up 46 percent to 6.5 million pills. Police and Customs seized 74 metric tons of cannabis, a 4 percent increase from 1999.

Corruption. Narcotics-related corruption of public officials at all levels is not considered a problem in the U.K.. When identified, corrupt officials are vigorously prosecuted.

Agreements and Treaties. The U.S. and the U.K. have a long-standing extradition treaty and a mutual legal assistance treaty (MLAT) and a judicial narcotics agreement, which the U.K. has extended to some of its dependencies. The U.S. and the U.K. also have a judicial narcotics agreement and an MLAT relating to the Cayman Islands, and which extends to Anguilla, the British Virgin Islands, Montserrat, and the Turks and Caicos Islands. The United States and the U.K. are also party to a 1928 agreement for the direct exchange of information regarding the traffic in narcotic drugs and a 1981 agreement to facilitate the interdiction by the United States of U.K. vessels suspected of trafficking in drugs. The U.K. is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The U.S.-U.K. Customs Mutual Assistance Agreement (CMAA) dates from 1989. In December 2000, the U.K. signed but has not yet ratified the UN Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol Against the Smuggling of Migrants.

Cultivation/Production. Cannabis is cultivated in limited quantities for personal use, and occasionally sold commercially. Most illicit amphetamines and MDMA (Ecstasy) are trafficked from continental Europe, but some are manufactured in the U.K. in limited amounts. Authorities destroy crops and clandestine facilities as detected.

Drug Flow/Transit. Steady supplies of heroin and cocaine enter the U.K.. Although some 90 percent of heroin in the U.K. (amounting to around 30 tons a year) normally comes from Southwest Asia, chiefly Afghanistan, the quantity of opiates that entered the U.K. in 2001 was distorted by the ban on opium poppy cultivation in Afghanistan instituted by the Taliban in July 2000, and thereafter effectively enforced. Trafficking was not banned, however, and supplies of Afghan opium stock from previous years' crops were released and supplied to the markets in Western Europe and the U.K.. This situation resulted in an initial decline in opiates reaching the U.K., followed by a sharp increase from depressed levels, beginning in the fall of 2001, and continued through 2002.

A significant amount of the heroin that reaches the U.K. is handled at some point by U.K.-based Turkish criminal groups, although Turkish criminals in the Netherlands and Belgium also channel heroin to the U.K.. Pakistani traffickers also play a significant part; a large amount of the heroin they import, normally in small amounts by air couriers traveling direct from Pakistan, is destined for British cities where there are large South Asian populations. Caribbean criminals (primarily West Indians or British nationals of West Indian decent) are increasingly involved in the supply and distribution of heroin as well as cocaine. Most heroin probably enters the U.K. through ports in the southeast, although some enters through major U.K. airports with links to Turkey, Northern Cyprus, and Pakistan.

Hashish comes to the U.K. primarily from Morocco. Cocaine imports are estimated at 25-40 tons a year and emanate chiefly from Colombia. Supplies of both cocaine and crack cocaine reach the U.K. market in a variety of ways. Around 75 percent of cocaine is thought to be carried across the Channel from consignments shipped from Colombia to mainland Europe and then brought to the U.K. concealed in trucks or private cars, or by human couriers or “mules.” Traffickers based in the U.K. are the organizers. The Caribbean, chiefly Jamaica, is a major transshipment point from Colombia with import to the U.K. being achieved by air freight and by increasing numbers of couriers, normally women, attempting to

conceal internally (i.e., through swallowing in protective bags) up to 0.5 kilogram at a time. The synthetic drug supply originates out of Western and Central Europe. Amphetamines, Ecstasy, and LSD have been traced to sources in the Netherlands and Poland, with some originating in the U.K..

The U.K. has taken responsibility for coordinating international assistance to help the Transitional Afghan Government's counternarcotics efforts. Starting with the 2003 crop, the aim is to reduce by 2008 opium production by 70 percent and completely eliminate it by 2013. A combination of measures will be employed that includes improving security and law enforcement capacity and implementing reconstruction programs to encourage farmers away from poppy cultivation.

In Iran, the U.K. helps fund a UN counternarcotics program, as well as offers bilateral assistance for drug interdiction efforts. The UN project covers training and equipment primarily to strengthen counternarcotics work at Iran's borders with Afghanistan and Pakistan. British assistance includes direct training (by HM Customs and Excise) and equipment to strengthen Iran's exit border with Turkey, which fills gaps that the UNODC's project does not meet.

Domestic Programs (Demand Reduction). The U.K. Government's demand reduction efforts focus on school and other community-based programs to educate young people and to prevent them from ever starting on drugs. Guidelines were enacted in November 1998 to help teachers and youth-workers warn young people about the dangers of drugs. The Drug Prevention Advisory Service (DPAS) was established in 1999 to provide school and community teams to give specialist prevention advice to all locally based drug action teams. The Standing Conference on Drug Abuse has also published guidance for teachers on managing drug problems in school, and the Positive Futures initiative set up in March 2000 aims to divert vulnerable young people away from drugs and crime through involvement in sport. On-going results from all these programs show reductions in criminal activity and truancy and improved community awareness.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.K. plays a leading role within the EU in combating drugs. Under the 1998 U.K. presidency, work was begun on a new EU drug strategy for 2000-2004; the Cardiff European Council (June 1998) endorsed its essential elements. In a speech to the Scottish Parliament in March 2000, Prime Minister Tony Blair spoke of his concern about the serious drug problems that EU member states share with applicant countries. He called for EU action against drugs to be given a much higher priority and made a number of proposals for member states to increase exchange of information, develop common key indicators for measuring their progress in tackling drug-related problems, make early progress in developing common sanctions for drug traffickers, and provide more practical help to the EU candidate countries in dealing with their drug problems.

These and other proposals were subsequently included within the EU Action Plan on Drugs 2000-2004, developed under the Portuguese Presidency and approved by the European Council at Feira in June 2000. The U.K. has acted swiftly to increase its assistance to EU applicant countries, particularly those on the heroin smuggling route through the Balkans, including an 18-month, cooperative counternarcotics program with Bulgaria. The U.K. and Spain are also creating a joint investigation team aimed at cracking down on traffickers who smuggle cocaine from Colombia to Spain and on into the U.K..

The U.K. attended the International Conference on Reconstruction to Afghanistan in January of 2002 and pledged to give U.S. \$330 million (BPS 200 million) to Afghanistan over four years. Through the Department for International Development (DFID), U.S. \$107 million (BPS 65 million) have already been given to Afghanistan for humanitarian and reconstruction purposes.

The Road Ahead. The United States looks forward to continued close cooperation with the U.K. on all counternarcotics fronts.

Uzbekistan

I. Summary

Uzbekistan is primarily a transit country for opiates originating in Afghanistan. Well-established trade routes facilitate the transit of these narcotics to Russia and Europe. There is a growing market for a variety of narcotics and consequently a growing problem with drug addiction. The Government of Uzbekistan remains committed to eliminating the narcotics trade, as evidenced by manpower increases in its enforcement efforts, but still relies heavily on multilateral and bilateral financial and technical resources. According to the National Drug Control Commission, law enforcement officers seized a total of 608 kilograms of illegal narcotics in the first nine months of 2002. Uzbekistan is a party to the 1988 UN Drug Convention.

II. Status of Country

While there is no significant drug production in Uzbekistan, several transshipment routes for opium, heroin and hashish originate in Afghanistan and cross Uzbekistan to Russia and Europe. Precursor chemicals have in the past traveled the same routes in reverse on their way to laboratories in Afghanistan and Pakistan. In 2002, a shipment of 200 liters of precursors was seized at Termez. Effective government eradication programs have eliminated nearly all illicit production of opium poppies in Uzbekistan.

III. Country Actions Against Drugs in 2002

Policy Initiatives. On March 28, 2002, Prime Minister Sultanov signed a decree to implement a multi-year comprehensive plan to address all aspects of the narcotics problem in Uzbekistan. The plan, which is in effect through 2005, includes measures to address trafficking, demand reduction, coordination of effort from law enforcement entities, legal reform of the criminal code, treatment and rehabilitation of addicts, and deepening international cooperation for counternarcotics efforts.

The plan lists specific goals to be accomplished, timelines, and assigns responsibility to agencies. It indicates funding sources, and requires detailed documentation to show progress or completion of assigned tasks. The plan assigns tasks to all ministries, the National Security Service, State Committee for Border Control, State Customs Committee, National Drug Control Commission, Procuracy, oblast and city governments, Uzbekistan Airways, and others. According to Kamol Dusmetov, director of the National Drug Control Commission, the various participants meet on a regular basis to discuss priorities and progress that is being made.

For several years, many of these organizations have successfully worked together on the annual project "Operation Black Poppy" which combines intelligence collection, interdiction of smugglers, eradication of cultivation, and demand reduction. The demand reduction efforts have focused on a coordinated community policing effort, in which police officers work with local government and education officials to visit schools and other large institutions to discourage illicit drug use.

The August 14, 2001 "Agreement on Narcotics Control and Law Enforcement Assistance Between the Government of the United States of America and the Government of the Republic of Uzbekistan" established the framework for U.S. assistance to Uzbek law enforcement agencies in efforts against narcotics trafficking and organized crime. Presently under consideration are expanded counternarcotics programs, including a DEA-sponsored Sensitive Investigative Unit, demand reduction projects, judicial and legal reform, and enhancement of border security.

Accomplishments. Efforts to achieve even the most basic enforcement goals are hampered by the lack of effective laws, programs, money, appropriate international agreement and coordination among law enforcement agencies. The UNODC is continuing its efforts to implement the following projects:

- Strengthening the Capacities of the Drug Law Enforcement Agencies of Uzbekistan in Data and Information Collection. This is a project to establish a computer network among enforcement agencies.
- Precursor Control. The precursor control project will establish governmental controls over dual-use precursor chemicals. It is being implemented in close cooperation with the German and British Embassies in Tashkent and has a budget of U.S. \$5,000,000.
- Immediate assistance to Uzbekistan for the resumption of activities at the Termez-Hayraton checkpoint (“Friendship Bridge”) on the Uzbek-Afghan border.

Law Enforcement Efforts. Preliminary statistics from the National Center for Drug Control show that in the first nine months of 2002, Uzbek law enforcement seized a total of 608 kilograms of illicit drugs. Confiscated heroin accounted for approximately one-third of that total.

Three agencies with separate jurisdictions have counternarcotics responsibilities: the Ministry of Internal Affairs (MVD), the National Security Service (NSS), and the State Customs Committee. The MVD concentrates on domestic crime, the NSS handles international organized crime (in addition to its intelligence role), and Customs works at the border (interdiction/seizures at the border are also carried out by the Border Guards, although it is not their primary role). Despite this apparently clear delineation of responsibilities, a lack of operational coordination diminishes the effectiveness of counternarcotics efforts. The National Center for Drug Control was designed to minimize mistrust, rivalry and duplication of effort among the agencies. The Center continues to have difficulty accomplishing this goal.

None of the law enforcement agencies specialize in counternarcotics. The MVD, although it has 140 officers dedicated to counternarcotics, is also the national police force with the full range of law enforcement responsibilities. The NSS is the successor to the KGB and includes intelligence and counterespionage in its portfolio. The Customs Committee continues to give a high priority to counternarcotics, reflected in a 300 person increase in staff dedicated to counternarcotics efforts. The new personnel are in training and are expected to begin work in early 2003. In 2002, training and equipment were provided to Customs, MVD, NSS, and the Procuracy under the bilateral agreements between the United States and Uzbekistan.

Law enforcement suffers from a lack of attention; standards remain below international norms. The Uzbek criminal justice system is not far removed from the system inherited from the Soviet Union—the executive branch and Prosecutor Generalship are powerful entities and the judiciary is not independent. Corruption is rampant and it is not unusual for law enforcement officers to plant narcotics on suspects. In an August 2002 speech, President Karimov recognized existing problems and stressed the need for judicial and legal reform.

According to National Center reports, most smuggling incidents involve one to two individuals, likely backed by a larger, organized group. Resource constraints, however, have limited the GOU’s ability to investigate these cases. In general, information that has been gathered suggests smuggling rings are relatively small, family-run operations, with no single group controlling any region or the whole country. Smuggling rings tend to be located on the border between Uzbekistan and Tajikistan, where family members can cross the border more easily. There is also reporting which indicates smuggling activities continue to grow along the Turkmen-Uzbek border.

Lack of money for equipment and training remains the greatest difficulty faced by all agencies. They therefore rely heavily on international assistance from the UNODC, the U.S., the U.K. and other countries to improve their capacities. The European Union and OSCE are beginning to focus more

heavily on Uzbekistan and Central Asia. Basic necessities, such as uniforms, footwear, and reliable all-terrain vehicles to replace aging Soviet-era equipment, remain in short supply.

Corruption. Corruption charges were brought against several individuals from the Ministry of Internal Affairs and the Procuracy. Criminal cases resulted in prison sentences for most individuals charged. In other cases, those involved were fired from their jobs. The Procuracy continues to be the lead investigative agency for all criminal matters, including corruption.

The GOU does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. There is no evidence to suggest any senior GOU officials are involved in such activities or any USG-provided equipment is being misused.

Agreements and Treaties. Uzbekistan is a party to the 1988 UN Drug Convention and signed the Central Asian Counternarcotics Memorandum of Understanding with the UNODC.

Cultivation/Production. The government's eradication effort, named "Operation Black Poppy," has all but eliminated illicit opium poppy cultivation in Uzbekistan. National Center estimates indicate that less than one hectare of land was used for illegal narcotics cultivation in 2002.

Drug Flow/Transit. Several major transnational trade routes facilitate the transportation of opiates and cannabis from Afghanistan to Russia and Europe. The border crossing point at Termez is increasingly a point for trafficking. Narcotics are being discovered in trucks returning to Uzbekistan from delivering humanitarian aid into Afghanistan. A shipment of 200 liters of precursors was seized in a humanitarian cargo vehicle during the summer.

The National Center reports that trafficking also continues along traditional smuggling routes, mainly from Afghanistan into Surkhandarya oblast and from Afghanistan via Tajikistan into Uzbekistan. There was a 22 percent decrease in narcotics seizures for the first 9 months of 2002 as compared with the same time period in 2001. This decrease is attributed to improved security measures implemented on the borders by the State Customs Committee and Border Guards. Improvements in Tajik security efforts resulted in a decrease in rail trafficking along the Dushanbe-Moscow route. Trafficking on airlines fell while no significant change was noted in vehicular or pedestrian trafficking.

Domestic Programs. According to the Ministry of Health (MOH), about 6,000 new addicts registered with the government in the first nine months of 2002, bringing the total of registered users to about 24,000. There are no official estimates for unregistered addicts. However, the number of registered addicts is believed to reflect only 10-15 percent of the actual drug addicts in Uzbekistan. Hospitals with drug dependency recovery programs are inadequate to meet the increasing need. The MOH and National Drug Control Center recognize the need to focus increased attention on the problem but do not have sufficient funds to move forward. Drug awareness programs are administered through NGOs, schools and the mahalla (neighborhood) support system.

IV. U.S. Policy Initiatives and Programs

The goals of the 1998 and 2001 counternarcotics agreements between the United States and the Republic of Uzbekistan focus on the prevention of illicit drug activities in and through the territory of Uzbekistan and the need to increase the effectiveness of the fight against the trade in illicit narcotic substances. The Drug Enforcement Administration (DEA) is working to establish a Sensitive Investigative Unit in the Ministry of Internal Affairs.

The Road Ahead. The U.S. will work with all appropriate Uzbek agencies to improve narcotics detection and drug interdiction.

Yugoslavia, Federal Republic of

I. Summary

The Federal Republic of Yugoslavia (FRY) remains a transit country for illegal drugs moving along the Balkan Route from Western Asia to Europe and beyond. To a lesser but still significant degree, the FRY also has a growing problem with domestic consumption of drugs, particularly heroin and marijuana. The FRY does not appear to be a significant cultivator or producer of drugs and precursor chemicals.

Before the democratic revolution of October 5, 2000, the drug-fighting capability of the FRY police had been severely degraded by ten years of economic sanctions, political isolation, and systematic official corruption. In the two years since the revolution, the federal, Serbian, and Montenegrin police forces have begun to reorganize their counternarcotics activities; they have also coordinated a number of counternarcotics operations with police from other countries in the region. However, their efforts have been piecemeal rather than the result of following a national strategy. A lack of funds and modern equipment severely hinders proper monitoring of goods transiting the FRY. Nevertheless, assisted by internationally provided police training, reform of customs and border control procedures, and membership in international law enforcement organizations like INTERPOL and Southeast Europe Cooperation Initiative (SECI), FRY authorities are working to close the enforcement gap and make the FRY unattractive as a drug transit country. The FRY is a party to the 1988 UN Drug Convention.

II. Status of Country

The Balkans serves as an important corridor for the drug trade from Turkey and the Middle East to Western Europe and beyond. Despite some recent improvements in FRY enforcement, the FRY remains a viable and well-used segment of this corridor. Its contiguity with Kosovo, Bosnia, and Albania makes the FRY particularly vulnerable. Peaceful resolution in 2001-2002 of the conflict in southern Serbia has created tighter police control of areas bordering Kosovo. In 2002, international donors assisted the Serbian police in beginning the process of border control modernization. The Serbian police also began systematic reform of customs procedures to fight smuggling, including smuggling of illegal drugs. Though Montenegrin police still operate mainly independently from Serbian and federal police, the INTERPOL office in Belgrade has facilitated greater cooperation and information sharing between the two republics in regard to fighting drug traffic. Police from both republics reported substantial interdictions of drug traffic within the country. On the international front, the Yugoslav INTERPOL office worked effectively with police in Italy, Austria, Slovenia, Macedonia, and Croatia to set up controlled deliveries of narcotics in those countries. During 2002, Yugoslav INTERPOL also began communicating with the U.S. Drug Enforcement Administration (DEA) on a regular basis.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The federal government formulated an counternarcotics master plan for the FRY after the October 2000 change in government. However, new legislation needed for implementation of the plan has been held up in Parliament because of uncertainty about the future status of the federation. Meanwhile, neither the Serbian nor Montenegrin Republic has created its own official strategy for fighting drugs. The federal INTERPOL office, which opened in 2001, coordinates national drug enforcement efforts, transmitting and storing information provided by both republics.

Accomplishments. In October 2002, the FRY passed legislation enrolling the country as a dues-paying member of SECI. At the same time, the government assigned an INTERPOL-experienced officer to serve as permanent FRY liaison at the SECI law enforcement center in Bucharest.

By joining SECI, the FRY enhanced its capacity for regional and international cooperation in coming years. In December, FRY police participated in the SECI/DEA-sponsored "Operation Containment" focused on interdiction of drug traffic by means of enhanced customs procedures.

Law Enforcement Efforts. Interdictions and arrests netted mainly low-level offenders in the FRY. No major drug traffickers were arrested in the country. Republic and federal police began deploying informers to gather information on drug trafficking; however, current laws prohibit police agents from actually buying or selling drugs in sting operations. With training assistance from DEA, federal customs reorganized a 90-member unit dedicated to detecting contraband and smuggled goods, including drugs. FRY police cooperated in setting up controlled deliveries in several neighboring countries. In a Slovenian-led operation that included FRY police, 26 kilos of heroin were seized and several traffickers were arrested in Slovenia and Italy. In October, federal police cooperated with Bulgarian police in an investigation that resulted in the seizure in Bulgaria of 100 kilos of heroin and the arrest of two FRY citizens. Federal police and customs officials worked together in one operation that resulted in the seizure at the Belgrade airport of 430,000 tablets of anabolic steroids produced in Thailand. In another raid, Serbian police located and confiscated unused laboratory equipment suitable for methamphetamine production.

Corruption. In a step that could have a major impact on future counternarcotics efforts, the Serbian Republic passed a law creating a special prosecutor for organized crime and corruption who will have many capabilities currently unavailable to law enforcement in the FRY. These include: undercover and special surveillance capabilities, witness protection, plea bargaining, asset seizure, secure trial chambers, and a special anti-organized crime police unit. A law on procedure allowing implementation of the Serbia special prosecutor law passed in federal parliament in December 2002.

Agreements and Treaties. FRY's new membership in SECI effectively makes the FRY a regional law enforcement partner with all SECI member countries. The FRY has ongoing customs agreements with Russia, Romania, Bulgaria, Slovenia, Bosnia, Hungary, and Macedonia. A FRY-Albania customs agreement is currently being negotiated. A 1902 extradition treaty is in force between the U.S. and Yugoslavia. Yugoslav law forbids extradition of FRY citizens for trial in foreign countries. The FRY is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The FRY ratified the UN Convention against Transnational Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants on September 6, 2001.

Cultivation/Production. Yugoslavia is not a significant producer of narcotics or synthetic drugs. FRY INTERPOL confirmed that less than 5 percent of domestically consumed marijuana is grown within the country. According to INTERPOL, the majority of marijuana entering the FRY is grown in Albania and smuggled into the FRY through Kosovo and the Albania-Montenegro border.

Drug Flow/Transit. FRY police indicate that the Balkan drug trade Route is still operating and that the great majority of drugs seized in the FRY are in Route to Western Europe and beyond. Most drugs pass through the FRY on roads; some drugs are transported by river, while other shipments go through the inadequately monitored Belgrade and Podgorica airports. According to federal police, the quantity of

Domestic Programs (Demand Reduction). The FRY continues to promote counternarcotics public information campaigns aimed at school children. Posters illustrating drugs available in the FRY have been distributed to schools. The government also promotes counternarcotics awareness through television and billboard advertisements.

IV: U.S. Policy Initiatives and Programs

The United States currently does not have any bilateral law enforcement programs with the FRY, though the U.S. does support advanced police training through OSCE. The regional DEA office in Vienna communicated regularly, and sometimes intensively, with FRY INTERPOL throughout the year.